



IGNACIO TOWN BOARD MEETING AGENDA
Monday, May 9, 2022 – 6:30 PM
Abel F. Atencio Community Room, 570 Goddard Avenue
or via Remote Public Meeting

*The Town conducts hybrid meetings which allows for remote attendance via Zoom. Remote attendees must login to the Zoom meeting website at the following address: <https://us06web.zoom.us/j/85734016931>, or Attendees participating by phone shall call: **346-248-7799** and key in Webinar ID Number: **857 3401 6931**.*

- I. CALL REGULAR MEETING TO ORDER:** Pledge of Allegiance
- II. PUBLIC COMMENTS:** *The Town Board values public comment and allows this time for the expression of thoughts and concerns. Speakers shall state their name and address, and limit comments to five (5) minutes. Meeting decorum must be maintained and failure to maintain composure and respect will result in the closure of the comment period. Please do not comment on items listed on the Agenda, as opportunity will be given to comment during these discussions. At the conclusion of Public Comments, the Town Board and/or staff may respond to your comments. Thank you.*
- III. CONSENT AGENDA**
 - A. Regular Town Board Meeting Minutes from April 11, 2022
 - B. Financial Records for April 2022
 - C. Family Dollar Fermented Malt Beverage Off-Premise License Renewal Application
- IV. UNFINISHED BUSINESS:** None
- V. NEW BUSINESS**
 - A. Resolution 06-2022 – Designating Town Board Meeting Days & Times
 - B. Resolution 07-2022 – Authorization for the Purchase of SoCoCAA Goddard Ave. Property
 - C. Determining Signers for Checking Account
 - D. Funding Request for Summer Reading Program from Ignacio Community Library
 - E. Board Appointments
 - 1. La Plata Economic Development Alliance Board
 - 2. Colorado Municipal League Policy Committee
 - 3. Regional Housing Authority Board
 - 4. Southwest Colorado Council of Governments
 - F. Tap Fee Waiver Request from Dancing Spirits Community Arts Center
 - G. Kasey Correia Planning Commission Application
 - H. Limited Gaming Grant Application
 - I. COVID-19 Update
- VI. STAFF REPORTS**
 - A. Police Department
 - B. Public Works
 - C. Clerk / Treasurer
 - D. Town Manager
 - E. Attorney
- VII. TRUSTEE REPORTS**
- VIII. MISCELLANEOUS**
- IX. EXECUTIVE SESSION** to discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property of interest under C.R.S. Section 24-6-402(4)(a)
- X. ADJOURNMENT**

Submit to Local Licensing Authority

| Fees Due | | |
|--|-----------------------|----------|
| Renewal Fee | | 96.75 |
| Storage Permit | \$100 X _____ | \$ |
| Sidewalk Service Area | \$75.00 | \$ |
| Additional Optional Premise Hotel & Restaurant | \$100 X _____ | \$ |
| Related Facility - Campus Liquor Complex | \$160.00 per facility | \$ |
| Amount Due/Paid | | \$ 96.75 |

Make check payable to: Colorado Department of Revenue. The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department may collect the payment amount directly from your banking account electronically.

Retail Liquor or Fermented Malt Beverage License Renewal Application

Please verify & update all information below

Return to city or county licensing authority by due date

| | | | |
|---|--|---|-------------------------------------|
| Licensee Name <u>Family Dollar Stores of Colorado LLC</u> | | Doing Business As Name (DBA) <u>Family Dollar 316666</u> | |
| Liquor License # <u>04-01189</u> | License Type <u>Fermented Malt Beverage</u> | Sales Tax License # <u>08067335-011A</u> | Expiration Date <u>6-24-2022</u> |
| Business Address <u>1001 Goddard Avenue, Ignacio, CO 81137</u> | | | Phone Number <u>970-844-0954</u> |
| Mailing Address <u>ATTN: Tobacco 500 Volvo Pkwy Chesapeake, VA</u> | | Email <u>ab-licensing@dollarstore.com</u> | |
| Operating Manager <u>Samantha Johnson</u> | Date of Birth | Home Address | Phone Number |

- Do you have legal possession of the premises at the street address above? ☒ Yes ☐ No
 Are the premises owned or rented? ☐ Owned ☒ Rented* If rented, expiration date of lease 9/30/24
- Are you renewing a storage permit, additional optional premises, sidewalk service area, or related facility? If yes, please see the table in upper right hand corner and include all fees due. ☐ Yes ☒ No
- 3a. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business? ☐ Yes ☒ No
- 3b. Since the date of filing of the last application, has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.? ☐ Yes ☒ No
4. Since the date of filing of the last application, has there been any change in financial interest (new notes, loans, owners, etc.) or organizational structure (addition or deletion of officers, directors, managing members or general partners)? If yes, explain in detail and attach a listing of all liquor businesses in which these new lenders, owners (other than licensed financial institutions), officers, directors, managing members, or general partners are materially interested. ☐ Yes ☒ No
5. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been convicted of a crime? If yes, attach a detailed explanation. ☐ Yes ☒ No
6. Since the date of filing of the last application, has the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) been denied an alcohol beverage license, had an alcohol beverage license suspended or revoked, or had interest in any entity that had an alcohol beverage license denied, suspended or revoked? If yes, attach a detailed explanation. ☐ Yes ☒ No
7. Does the applicant or any of its agents, owners, managers, partners or lenders (other than licensed financial institutions) have a direct or indirect interest in any other Colorado liquor license, including loans to or from any licensee or interest in a loan to any licensee? If yes, attach a detailed explanation. ☐ Yes ☒ No

Affirmation & Consent

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct and complete to the best of my knowledge.

| | |
|--|---------------|
| Type or Print Name of Applicant/Authorized Agent of Business | Title |
| Jessica Bolden-Reddick | License |
| Signature | Renewal Card. |
| Jessica Bolden-Reddick | Date |
| | April 5, 2022 |

Report & Approval of City or County Licensing Authority

The foregoing application has been examined and the premises, business conducted and character of the applicant are satisfactory, and we do hereby report that such license, if granted, will comply with the provisions of Title 44, Articles 4 and 3, C.R.S., and Liquor Rules.

Therefore this application is approved.

| | | |
|-------------------------------|-------|--------|
| Local Licensing Authority For | | Date |
| Signature | Title | Attest |
| | | |

Tax Check Authorization, Waiver, and Request to Release Information

I, Jessica Bolden-Reddick am signing this Tax Check Authorization, Waiver and Request to Release Information (hereinafter "Waiver") on behalf of Family Dollar Stores of CO, LLC (the "Applicant/Licensee") to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documentation that may otherwise be confidential, as provided below. If I am signing this Waiver for someone other than myself, including on behalf of a business entity, I certify that I have the authority to execute this Waiver on behalf of the Applicant/Licensee.

The Executive Director of the Colorado Department of Revenue is the State Licensing Authority, and oversees the Colorado Liquor Enforcement Division as his or her agents, clerks, and employees. The information and documentation obtained pursuant to this Waiver may be used in connection with the Applicant/Licensee's liquor license application and ongoing licensure by the state and local licensing authorities. The Colorado Liquor Code, section 44-3-101, et seq. ("Liquor Code"), and the Colorado Liquor Rules, 1 CCR 203-2 ("Liquor Rules"), require compliance with certain tax obligations, and set forth the investigative, disciplinary and licensure actions the state and local licensing authorities may take for violations of the Liquor Code and Liquor Rules, including failure to meet tax reporting and payment obligations.

The Waiver is made pursuant to section 39-21-113(4), C.R.S., and any other law, regulation, resolution or ordinance concerning the confidentiality of tax information, or any document, report or return filed in connection with state or local taxes. This Waiver shall be valid until the expiration or revocation of a license, or until both the state and local licensing authorities take final action to approve or deny any application(s) for the renewal of the license, whichever is later. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license, if requested.

By signing below, Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority or agency in the possession of tax documents or information, release information and documentation to the Colorado Liquor Enforcement Division, and is duly authorized employees, to act as the Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to allow the state and local licensing authorities, and their duly authorized employees, to investigate compliance with the Liquor Code and Liquor Rules. Applicant/Licensee authorizes the state and local licensing authorities, their duly authorized employees, and their legal representatives, to use the information and documentation obtained using this Waiver in any administrative or judicial action regarding the application or license.

| | | | |
|---|--|--|--------------------------------|
| Name (Individual/Business) <u>Family Dollar Stores of Colorado, LLC</u> | | Social Security Number/Tax Identification Number <u>08067335-0169</u> | |
| Address <u>Attn: Tobacco 500 Volvo Parkway</u> | | | |
| City <u>Chesapeake</u> | | State <u>Virginia</u> | Zip <u>23320</u> |
| Home Phone Number <u>757-321-5000</u> | | Business/Work Phone Number | |
| Printed name of person signing on behalf of the Applicant/Licensee <u>Jessica Bolden - Reddick</u> | | | |
| Applicant/Licensee's Signature (Signature authorizing the disclosure of confidential tax information) <u>Jessica Bolden Reddick</u> | | | Date signed <u>4/5/2022</u> |
| Privacy Act Statement Providing your Social Security Number is voluntary and no right, benefit or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note). | | | |

TO: Ignacio Town Board of Trustees

FROM: Kirk Phillips, Chief of Police 

RE: Family Dollar – Liquor License Renewal

DATE: May 2, 2022

.....

There have been no liquor law violations at this business.

RESOLUTION 06-2022

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF IGNACIO, COLORADO, REGARDING THE DESIGNATION OF THE DAY, TIME AND LOCATION OF REGULAR TOWN BOARD MEETINGS

WHEREAS, the Colorado Open Meetings Law requires that all meetings at which the adoption of any proposed Town policy or other formal action be held only after full and timely notice to the public; and

WHEREAS, the Town Board Meetings have been held at 6:30 PM on the second Monday of each month for several years; and

WHEREAS, the Town Board Members wish to change the time of the meeting to an earlier time.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF IGNACIO, COLORADO THAT:

1. All regular meetings of the Town Board of Trustees will held be at 6:00 PM on the second Monday of each month at the Abel F. Atencio Community Room located at 570 Goddard Avenue, Ignacio Colorado 81137
2. Regular Town Board meetings will also offer remote meeting access in accordance with hybrid meeting policy via Zoom.
3. Regular meetings will be posted a minimum of 24-hours in advance at the Post Office, Ignacio Community Library and Town Hall.

ADOPTED THIS 9th DAY OF MAY, 2022.

Clark Craig, Mayor

Attest:

Tuggy Dunton, Town Clerk

RESOLUTION NO. 07-2022

A RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY WITH LEGAL DESCRIPTION OF LOTS 7-13, BLOCK 8, ASPAAS ADDITION WITHIN THE TOWN OF IGNACIO

WHEREAS, C.R.S. Section 31-15-101 allows the Town of Ignacio authority to enter into contracts, and to acquire real property for purposes of carrying on its governmental functions; and

WHEREAS, the Town staff negotiated for the purchase of the subject property and the seller agreed to detailed purchase terms that included the approval by the Town Board; and

WHEREAS, the Town of Ignacio has faithfully reviewed all terms and conditions, and associated documents associated with the purchase of the subject property; and

WHEREAS, all terms and conditions are detailed in the Contract to Buy and Sell Real Estate incorporated herein as Exhibit A.

NOW THEREFORE, LET IT HEREBY BE RESOLVED that the Board of Trustees of the Town of Ignacio, Colorado:

1. Authorizes and approves the purchase of Lots 7-13, Block 8, Aspass Addition for \$280,000, as described in Exhibit A.
2. Authorizes Mayor Clark Craig to execute all transactions associated with this purchase on behalf of the Town of Ignacio.
3. Authorizes staff to prepare and distribute all funds necessary for the proper closing of this transaction.

PASSED AND APPROVED by the Town Board of Trustees of Ignacio, Colorado, on the 9th day of May, 2022.

TOWN OF IGNACIO, COLORADO

ATTEST:

Clark Craig, Mayor

Tuggy Dunton, Town Clerk

DeeDee Kendall

1 The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. 2
(CBS4-6-21) (Mandatory 1-22)

3

4 **THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR 5
OTHER COUNSEL BEFORE SIGNING.**

6

7 **CONTRACT TO BUY AND SELL REAL ESTATE 8 (LAND)**

9 **(Property with No Residences)**

10 **(Property with Residences-Residential Addendum Attached) 11**

12 Date: 4/13/2022 13 **AGREEMENT**

14 **1. AGREEMENT.** Buyer agrees to buy and Seller agrees to sell the Property described below on the terms and conditions set 15
forth in this contract (Contract).

16 **2. PARTIES AND PROPERTY.**

17 **2.1. Buyer. Town of Ignacio** (Buyer) will take title 18 to the Property described below as **Joint Tenants Tenants In Common**
Other Severalty. 19 **2.2. No Assignability.** This Contract **IS NOT** assignable by Buyer unless otherwise specified in **Additional**
Provisions.

20 **2.3. Seller. Southern Colorado Community Action Agency, Inc.** (Seller) is 21 the current owner of the Property described
below.

22 **2.4. Property.** The Property is the following legally described real estate in the County of **La Plata**, Colorado (insert 23 legal
description):

24

25 **Subdivision: ASPAAS ADD (IGN) Block: 8 Lot: 9 THRU:- Lot:13 ASPAAS 1ST ADD 825 GODDARD AVE #4 825**
26 **1/2GODDARD AVE IGNACIO 81137 & Subdivision: ASPAASADD (IGN) Block: 8 Lot: 8 ASPAAS 1ST ADD 27**
27 **827GODDARD AVE IGNACIO 81137 & Subdivision: ASPAASADD (IGN) Block: 8 Lot: 7 ASPAAS 1ST ADD 28**
28 **845GODDARD AVE IGNACIO 81137**

29

30

31

32

33

34 known as: **825/827/845 Goddard Ave Ignacio Co 35 81137 ,**

36 Street Address City State Zip

37 together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto and all interest of 38
Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

39 **2.5. Inclusions.** The Purchase Price includes the following items (Inclusions):

40 **2.5.1. Inclusions.** The following items, whether fixtures or personal property, are included in the Purchase Price 41 unless excluded
under **Exclusions:**

42 **None**

43

44

45 If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the 46
Purchase Price.

47 **2.5.2. Encumbered Inclusions.** Any Inclusions owned by Seller (i.e., owned solar panels) must be conveyed at 48 Closing by Seller free and clear of all taxes (except personal property and general real estate taxes for the year of Closing), liens 49 and encumbrances, except:

50
51
52

53 **2.5.3. Personal Property Conveyance.** Conveyance of all personal property will be by bill of sale or other 54 applicable legal instrument.

55 **2.5.4. Leased Items.** The following personal property is currently leased to Seller which will be transferred to 56 Buyer at Closing (Leased Items):

57
58 **None**

59
60

61 **2.6. Exclusions.** The following items are excluded (Exclusions):

62 **None**

63
64
65
66

67 **2.7. Water Rights, Well Rights, Water and Sewer Taps.**

68 **2.7.1. Deeded Water Rights.** The following legally described water rights:

69 **None**

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72 Any deeded water rights will be conveyed by a good and sufficient **quit claim** deed at Closing. 73 **2.7.2. Other Rights Relating to Water.** The following rights relating to water not included in §§ 2.7.1., 2.7.3., 74 2.7.4. and 2.7.5., will be transferred to Buyer at Closing:

75

76 **Town of Ignacio seasonal irrigation**

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78
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80 **2.7.3. Well Rights.** Seller agrees to supply required information to Buyer about the well. Buyer understands that 81 if the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes, 82 Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered 83 with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a 84 registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in 85 connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is 86 **None**.

87 **2.7.4. Water Stock Certificates.** The water stock certificates to be transferred at Closing are as follows: 88

89 **None**

90

91 **2.7.5. Water and Sewer Taps.** The parties agree that water and sewer taps listed below for the Property are being 92 conveyed as part of the Purchase Price as follows:

93 **4 Paid Water and Sewer Taps with Town of Ignacio and Southern Ute Tribe**

94
95

96 **If any water or sewer taps are included in the sale, Buyer is advised to obtain, from the provider, written confirmation of 97 the amount remaining to be paid, if any, time and other restrictions for transfer and use of the taps.** 98 **2.7.6. Conveyance.** If Buyer is to receive any rights to water pursuant to § 2.7.2. (Other Rights Relating to 99 Water), § 2.7.3. (Well Rights), § 2.7.4. (Water Stock Certificates), or § 2.7.5. (Water and Sewer Taps), Seller agrees to convey 100 such rights to Buyer by executing the applicable legal instrument at Closing.

101 **2.7.7. Water Rights Review.** Buyer **Does Does Not** have a Right to Terminate if examination of the 102 Water Rights is unsatisfactory to Buyer on or before the **Water Rights Examination Deadline**.

103 **2.8. Growing Crops.** With respect to growing crops, Seller and Buyer agree as follows:

104
105

107 3. DATES, DEADLINES AND APPLICABILITY.

108 3.1. Dates and Deadlines.

| Item No. | Reference Event | Date or Deadline | 1 § 3 Time of Day | Deadline | 5:00pm |
|-----------------------------|---|------------------------|-------------------------------------|---|----------|
| 2 § 4 | Alternative Earnest Money Deadline | 3 days after MEC | Title | | |
| 3 § 8 | Record Title Deadline (and Tax Certificate) | 04/27/22 | | | |
| 4 § 8 | Record Title Objection Deadline | 04/29/22 | | | |
| 5 § 8 | Off-Record Title Deadline | 04/27/22 | | | |
| 6 § 8 | Off-Record Title Objection Deadline | 04/29/22 | | | |
| 7 § 8 | Title Resolution Deadline | 05/02/22 | | | |
| 8 § 8 | Third Party Right to Purchase/Approve Deadline | 04/27/22 | | | |
| Owners' Association | | | | | |
| 9 § 7 | Association Documents Deadline | 04/27/22 | | | |
| 10 § 7 | Association Documents Termination Deadline | 05/02/22 | | | |
| Seller's Disclosures | | | | | |
| 11 § 10 | Seller's Property Disclosure Deadline | 04/27/22 | | | |
| 12 § 10 | Lead-Based Paint Disclosure Deadline (if Residential Addendum attached) | Loan and Credit N/A | | | |
| 13 § 5 | New Loan Application Deadline | N/A | 14 § 5 | New Loan Terms Deadline | N/A |
| 15 § 5 | New Loan Availability Deadline | N/A | 16 § 5 | Buyer's Credit Information | |
| 17 § 5 | Disapproval of Buyer's Credit Information Deadline | N/A | 18 § 5 | Existing Loan Deadline | N/A |
| 19 § 5 | Existing Loan Termination Deadline | N/A | 20 § 5 | Loan Transfer Approval Deadline | N/A |
| 21 § 4 | Seller or Private Financing Deadline | N/A | Appraisal | | |
| 22 § 6 | Appraisal Deadline | N/A | 23 § 6 | Appraisal Objection Deadline | N/A |
| 24 § 6 | Appraisal Resolution Deadline | N/A | Survey | | |
| 25 § 9 | New ILC or New Survey Deadline | N/A | 26 § 9 | New ILC or New Survey | |
| 27 § 9 | New ILC or New Survey Resolution Deadline | N/A | Inspection and Due Diligence | | |
| 28 § 2 | Water Rights Examination Deadline | 05/02/22 | 29 § 8 | Mineral Rights Examination | |
| 30 § 10 | Inspection Termination Deadline | 05/02/22 | 31 § 10 | Inspection | |
| 32 § 10 | Inspection Resolution Deadline | 05/02/22 | 33 § 10 | Property Insurance Termination Deadline | 04/27/22 |
| 34 § 10 | Due Diligence Documents Delivery Deadline | 04/27/22 | 35 § 10 | Due Diligence Documents Objection Deadline | 04/29/22 |
| 36 § 10 | Due Diligence Documents Resolution Deadline | 05/02/22 | 37 § 10 | Environmental Inspection Termination Deadline | N/A |
| 38 § 10 | ADA Evaluation Termination Deadline | N/A | 39 § 10 | Conditional Sale | |
| | Deadline | N/A | | | |

N/A

40 § 10 Lead-Based Paint Termination Deadline (if Residential Addendum attached)

41 § 11 Estoppel Statements Deadline ^{N/A} 42 § 11 Estoppel Statements Termination Deadline ^{N/A}

CBS4-6-21. CONTRACT TO BUY AND SELL REAL ESTATE (LAND) Page 3 of 20

Authentisign ID: 4E4E518C-95BB-EC11-997E-501AC586CB79

Closing and Possession

43 § 12 Closing Date ^{5/13/2022}

44 § 17 Possession Date ^{Upon Funding and Recording of Deed}

45 § 17 Possession Time ^{Upon Funding and Recording of Deed}

46 § 27 Acceptance Deadline Date ^{4/15/2022}

47 § 27 Acceptance Deadline Time ^{5:00pm}

109 **3.2. Applicability of Terms.** If any deadline blank in § 3.1. (Dates and Deadlines) is left blank or completed with "N/A", 110 or the word "Deleted," such deadline is not applicable and the corresponding provision containing the deadline is deleted. Any box 111 checked in this Contract means the corresponding provision applies. If no box is checked in a provision that contains a selection of 112 "None", such provision means that "None" applies.

113 The abbreviation "MEC" (mutual execution of this Contract) means the date upon which both parties have signed this Contract. 114 The abbreviation "N/A" as used in this Contract means not applicable.

115 3.3. Day; Computation of Period of Days; Deadlines.

116 **3.3.1. Day.** As used in this Contract, the term "day" means the entire day ending at 11:59 p.m., United States 117 Mountain Time (Standard or Daylight Savings, as applicable). Except however, if a **Time of Day Deadline** is specified in § 3.1. 118 (Dates and Deadlines), all Objection Deadlines, Resolution Deadlines, Examination Deadlines and Termination Deadlines will end 119 on the specified deadline date at the time of day specified in the **Time of Day Deadline**, United States Mountain Time. If **Time of 120 Day Deadline** is left blank or "N/A" the deadlines will expire at 11:59 p.m., United States Mountain Time.

121 **3.3.2. Computation of Period of Days.** In computing a period of days (e.g., three days after MEC), when the 122 ending date is not specified, the first day is excluded and the last day is included.

123 **3.3.3. Deadlines.** If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such 124 deadline **Will Will Not** be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be 125 checked, the deadline will not be extended.

126 4. PURCHASE PRICE AND TERMS.

127 **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 | \$ | ^{280000.00} | | |
| 2 § 4.3. Earnest Money | \$ | ^{15000.00} | 3 § 4.5. New Loan | \$ | |
| 4 § 4.6. Assumption Balance | \$ | | | | |
| 5 § 4.7. Private Financing | \$ | | | | |
| 6 § 4.7. Seller Financing | \$ | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 § 4.4. Cash at Closing | \$ | ^{265000.00} | 10 TOTAL | \$280000.00 | \$ ^{280000.00} |

128 **4.2. Seller Concession.** At Closing, Seller will credit to Buyer \$0.00 (Seller Concession). The Seller Concession may be 129 used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer's lender and is included in the 130 Closing Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller Concession include, 131 but are not limited to: Buyer's closing costs, loan discount points, loan origination fees, prepaid items and any other fee, cost, 132 charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer elsewhere in 133 this Contract.

134 **4.3. Earnest Money.** The Earnest Money set forth in this Section, in the form of a Trust account check, bank 135 wire, cashiers check, will be payable to and held by **Title Durango** (Earnest Money Holder), in its trust account, on 136 behalf of both

Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract unless the parties 137 mutually agree to an **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money 138 deposit to the company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money 139 Holder has agreed to have interest on Earnest Money deposits transferred to a fund established for the purpose of providing 140 affordable housing to Colorado residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest 141 Money deposited with the Earnest Money Holder in this transaction will be transferred to such fund.

142 **4.3.1. Alternative Earnest Money Deadline.** The deadline for delivering the Earnest Money, if other than at the 143 time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

144 **4.3.2. Disposition of Earnest Money.** If Buyer has a Right to Terminate and timely terminates, Buyer is entitled 145 to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 24 and, except as 146 provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been returned following receipt of a Notice to 147 Terminate, Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest 148 Money Release form), within three days of Seller's receipt of such form. If Seller is entitled to the Earnest Money, and, except as 149 provided in § 23 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an 150 Earnest Money Release form, Buyer agrees to execute and return to Seller or Broker working with Seller, written mutual 151 instructions (e.g., Earnest Money Release form), within three days of Buyer's receipt.

152 **4.3.2.1. Seller Failure to Timely Return Earnest Money.** If Seller fails to timely execute and return the 153 Earnest Money Release Form, or other written mutual instructions, Seller is in default and liable to Buyer as set forth in **"If Seller 154 is in Default", § 20.2. and § 21**, unless Seller is entitled to the Earnest Money due to a Buyer default. 155 **4.3.2.2. Buyer Failure to Timely Release Earnest Money.** If Buyer fails to timely execute and return the 156 Earnest Money Release Form, or other written mutual instructions, Buyer is in default and liable to Seller as set forth in **"If Buyer 157 is in Default, § 20.1. and § 21**, unless Buyer is entitled to the Earnest Money due to a Seller Default. 158 **4.4. Form of Funds; Time of Payment; Available Funds.**

159 **4.4.1. Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing 160 and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified 161 check, savings and loan teller's check and cashier's check (Good Funds).

162 **4.4.2. Time of Payment.** All funds, including the Purchase Price to be paid by Buyer, must be paid before or at 163 Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH 164 NONPAYING PARTY WILL BE IN DEFAULT**.

165 **4.4.3. Available Funds.** Buyer represents that Buyer, as of the date of this Contract, **Does Does Not** have 166 funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1. 167 **4.5. New Loan.**

168 **4.5.1. Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller Concession), if 169 applicable, must timely pay Buyer's loan costs, loan discount points, prepaid items and loan origination fees as required by lender. 170 **4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to 171 Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan Limitations) or § 29 (Additional 172 Provisions).

173 **4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of loans: 174 **Conventional Other Any loan or financing option buyer secures.**

175 **4.6. Assumption.** Buyer agrees to assume and pay an existing loan in the approximate amount of the Assumption 176 Balance set forth in § 4.1. (Price and Terms), presently payable at \$0.00 per 0 including principal and interest presently at the rate 177 of 0_% per annum and also including escrow for the following as indicated: **Real Estate Taxes Property Insurance 178 Premium** and 0.

179 Buyer agrees to pay a loan transfer fee not to exceed \$0.00. At the time of assumption, the new interest rate will not 180 exceed 0_% per annum and the new payment will not exceed \$0.00 per 0 principal and interest, plus escrow, if any. If the actual 181 principal balance of the existing loan at Closing is less than the Assumption Balance, which causes the amount of cash required 182 from Buyer at Closing to be increased by more than \$0.00, or if any other terms or provisions of the loan change, Buyer has the 183 Right to Terminate under § 24.1. on or before **Closing Date**.

184 Seller **Will Will Not** be released from liability on said loan. If applicable, compliance with the requirements for 185 release from liability will be evidenced by delivery on or before **Loan Transfer Approval Deadline at Closing** of an 186 appropriate letter of commitment from lender. Any cost payable for release of liability will be paid by 0 in an amount not to 187 exceed \$0.00.

188 **4.7. Seller or Private Financing.**

189 **WARNING:** Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on 190 sellers and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a 191 licensed Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics 192 of financing, including whether or not a party is exempt from the law.

193 **4.7.1. Seller Financing.** If Buyer is to pay all or any portion of the Purchase Price with Seller financing, 194 **Buyer Seller** will deliver the proposed Seller financing documents to the other party on or before 0 days before **Seller or 195 Private Financing Deadline**.

196 **4.7.1.1. Seller May Terminate.** If Seller is to provide Seller financing, this Contract is conditional upon 197 Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost, 198 and compliance with

the law. Seller has the Right to Terminate under § 24.1., on or before **Seller or Private Financing Deadline**, 199 if such Seller financing is not satisfactory to Seller, in Seller's sole subjective discretion.

200 **4.7.2. Buyer May Terminate.** If Buyer is to pay all or any portion of the Purchase Price with Seller or private 201 financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to Buyer, including its 202 availability, payments, interest rate, terms, conditions, and cost. Buyer has the Right to Terminate under § 24.1., on or before 203 **Seller or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective 204 discretion.

205 TRANSACTION PROVISIONS

206 **5. FINANCING CONDITIONS AND OBLIGATIONS.**

207 **5.1. New Loan Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more new loans 208 (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an application 209 verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such loan or 210 approval.

211 **5.2. New Loan Terms; New Loan Availability.**

212 **5.2.1. New Loan Terms.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is 213 conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed New Loan's payments, interest 214 rate, conditions and costs or any other loan terms (New Loan Terms) are satisfactory to Buyer. This condition is for the sole 215 benefit of Buyer. Buyer has the Right to Terminate under § 24.1., on or before **New Loan Terms Deadline**, if the New Loan 216 Terms are not satisfactory to Buyer, in Buyer's sole subjective discretion.

217 **5.2.2. New Loan Availability.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is 218 conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's 219 New Loan Application (New Loan Availability). Buyer has the Right to Terminate under § 24.1., on or before the **New Loan 220 Availability Deadline** if the New Loan Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on 221 the New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property 222 Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property (§ 10.7. below). **IF SELLER IS 223 NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN NOTICE TO TERMINATE, BUYER'S 224 EARNEST MONEY WILL BE NONREFUNDABLE**, except as otherwise provided in this Contract (e.g., Appraisal, Title, 225 Survey).

226 **5.3. Credit Information.** If an existing loan is not to be released at Closing, this Contract is conditional (for the sole 227 benefit of Seller) upon Seller's approval of Buyer's financial ability and creditworthiness, which approval will be in Seller's sole 228 subjective discretion. Accordingly: (1) Buyer must supply to Seller by **Buyer's Credit Information Deadline**, at Buyer's 229 expense, information and documents (including a current credit report) concerning Buyer's financial, employment and credit 230 condition; (2) Buyer consents that Seller may verify Buyer's financial ability and creditworthiness; and (3) any such information 231 and documents received by Seller must be held by Seller in confidence and not released to others except to protect Seller's interest 232 in this transaction. If the Cash at Closing is less than as set forth in § 4.1. of this Contract, Seller has the Right to Terminate under 233 § 24.1., on or before Closing. If Seller disapproves of Buyer's financial ability or creditworthiness, in Seller's sole subjective 234 discretion, Seller has the Right to Terminate under § 24.1., on or before **Disapproval of Buyer's Credit Information Deadline**.

235 **5.4. Existing Loan Review.** If an existing loan is not to be released at Closing, Seller must deliver copies of the loan 236 documents (including note, deed of trust and any modifications) to Buyer by **Existing Loan Deadline**. For the sole benefit of 237 Buyer, this Contract is conditional upon Buyer's review and approval of the provisions of such loan documents. Buyer has the 238 Right to Terminate under § 24.1., on or before **Existing Loan Termination Deadline**, based on any unsatisfactory provision of 239 such loan documents, in Buyer's sole subjective discretion. If the lender's approval of a transfer of the Property is required, this 240 Contract is conditional upon Buyer obtaining such approval without change in the terms of such loan, except as set forth in § 4.6. 241 If lender's approval is not obtained by **Loan Transfer Approval Deadline**, this Contract will terminate on such deadline. Seller 242 has the Right to Terminate under § 24.1., on or before Closing, in Seller's sole subjective discretion, if Seller is to be released from 243 liability under such existing loan and Buyer does not obtain such compliance as set forth in § 4.6.

244 **6. APPRAISAL PROVISIONS.**

245 **6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged 246 on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set 247 forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property 248 to be valued at the Appraised Value.

249 **6.2. Appraised Value.** The applicable appraisal provision set forth below applies to the respective loan type set forth in 250 § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.

251 **6.2.1. Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the 252 Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal 253 Objection Deadline**:

254 **6.2.1.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; 255 or
 256 **6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by either a copy of the 257 Appraisal or written
 notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification). 258 **6.2.1.3. Appraisal
 Resolution.** If an Appraisal Objection is received by Seller, on or before **Appraisal 259 Objection Deadline** and if Buyer and Seller have
 not agreed in writing to a settlement thereof on or before **Appraisal Resolution 260 Deadline**, this Contract will terminate on the
Appraisal Resolution Deadline, unless Seller receives Buyer's written withdrawal 261 of the Appraisal Objection before such
 termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**). 262 **6.3. Lender Property Requirements.** If the lender
 imposes any written requirements, replacements, removals or repairs, 263 including any specified in the Appraisal (Lender Property
 Requirements) to be made to the Property (e.g., roof repair, repainting), 264 beyond those matters already agreed to by Seller in this
 Contract, this Contract terminates on the earlier of three days following 265 Seller's receipt of the Lender Property Requirements, or
 Closing, unless prior to termination: (1) the parties enter into a written 266 agreement to satisfy the Lender Property Requirements; (2) the
 Lender Property Requirements have been completed; or (3) the 267 satisfaction of the Lender Property Requirements is waived in writing
 by Buyer.
 268 **6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by 269 **Buyer Seller**.
 The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management 270 company, lender's agent or all
 three.

271 **7. OWNERS' ASSOCIATIONS.** This Section is applicable if the Property is located within one or more Common Interest 272
 Communities and subject to one or more declarations (Association).

273 **7.1. Common Interest Community Disclosure.** **THE PROPERTY IS LOCATED WITHIN A COMMON 274 INTEREST
 COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF 275 THE
 PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE 276 COMMUNITY
 AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE 277 ASSOCIATION. THE
 DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL 278 OBLIGATIONS UPON
 THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY 279 ASSESSMENTS OF THE ASSOCIATION.
 IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE 280 ASSOCIATION COULD PLACE A LIEN ON THE
 PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE 281 DECLARATION, BYLAWS AND RULES AND
 REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE 282 OWNER FROM MAKING CHANGES TO THE
 PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE 283 ASSOCIATION (OR A COMMITTEE OF THE
 ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. 284 PURCHASERS OF PROPERTY WITHIN THE
 COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE 285 FINANCIAL OBLIGATIONS OF MEMBERS OF
 THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY 286 READ THE DECLARATION FOR THE COMMUNITY
 AND THE BYLAWS AND RULES AND REGULATIONS OF 287 THE ASSOCIATION.**

288 **7.2. Association Documents to Buyer.** Seller is obligated to provide to Buyer the Association Documents (defined 289 below), at
 Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the 290 Association
 Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon 291 Buyer's receipt of
 the Association Documents, regardless of who provides such documents.

292 **7.3. Association Documents.** Association documents (Association Documents) consist of the following: 293 **7.3.1.** All Association
 declarations, articles of incorporation, bylaws, articles of organization, operating 294 agreements, rules and regulations, party wall
 agreements and the Association's responsible governance policies adopted under 295 § 38-33.3-209.5, C.R.S.;

296 **7.3.2.** Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers' 297 meetings; such
 minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. 298 (Annual Disclosure)
 and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the 299 preceding minutes exist,
 then the most recent minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

300 **7.3.3.** List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, 301 but not limited
 to, property, general liability, association director and officer professional liability and fidelity policies. The list 302 must include the
 company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies 303 listed (Association
 Insurance Documents);

304 **7.3.4.** A list by unit type of the Association's assessments, including both regular and special assessments as 305 disclosed in the
 Association's last Annual Disclosure;

306 **7.3.5.** The Association's most recent financial documents which consist of: (1) the Association's operating budget 307 for the current
 fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for 308 the fiscal year
 immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent 309 available financial
 audit or review, (4) list of the fees and charges (regardless of name or title of such fees or charges) that the 310 Association's community
 association manager or Association will charge in connection with the Closing including, but not limited 311 to, any fee incident to the

312 the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list 313 of all assessments required to be paid in advance, reserves or working capital due at Closing and (6) reserve study, if any (§§ 7.3.4. 314 and 7.3.5., collectively, Financial Documents);

315 **7.3.6.** Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5, 316 C.R.S. within the past six months and the result of whether the Association approved or disapproved such action (Construction 317 Defect Documents). Nothing in this Section limits the Seller's obligation to disclose adverse material facts as required under § 318 10.2. (Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition) including any problems or defects in the 319 common elements or limited common elements of the Association property.

320 **7.4. Conditional on Buyer's Review.** Buyer has the right to review the Association Documents. Buyer has the Right to 321 Terminate under § 24.1., on or before **Association Documents Termination Deadline**, based on any unsatisfactory provision in 322 any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after 323 **Association Documents Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to 324 Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive 325 the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after **Closing 326 Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to 327 Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory and Buyer waives any 328 Right to Terminate under this provision, notwithstanding the provisions of § 8.6. (Third Party Right to Purchase/Approve).

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

330 **8.1. Evidence of Record Title.**

331 **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance 332 company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish 333 to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase 334 Price, or if this box is checked, an **Abstract of Title** certified to a current date. Seller will cause the title insurance policy to be 335 issued and delivered to Buyer as soon as practicable at or after Closing.

336 **8.1.2. Buyer Selects Title Insurance Company.** If this box is checked, Buyer will select the title insurance 337 company to furnish the owner's title insurance policy at Buyer's expense. On or before **Record Title Deadline**, Buyer must furnish to 338 Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price. 339 If neither box in § 8.1.1. or § 8.1.2. is checked, § 8.1.1. applies.

340 **8.1.3. Owner's Extended Coverage (OEC).** The Title Commitment **Will Will Not** contain Owner's 341 Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard 342 exceptions which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' 343 liens, (5) gap period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6) 344 unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC 345 will be paid by **Buyer Seller One-Half by Buyer and One-Half by Seller Other** _.

346 Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over 347 any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined 348 below, among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to 349 object under § 8.7. (Right to Object to Title, Resolution).

350 **8.1.4. Title Documents.** Title Documents consist of the following: (1) copies of any plats, declarations, 351 covenants, conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of 352 such documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title 353 Documents).

354 **8.1.5. Copies of Title Documents.** Buyer must receive, on or before **Record Title Deadline**, copies of all Title 355 Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county 356 where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the 357 party or parties obligated to pay for the owner's title insurance policy.

358 **8.1.6. Existing Abstracts of Title.** Seller must deliver to Buyer copies of any abstracts of title covering all or any 359 portion of the Property (Abstract of Title) in Seller's possession on or before **Record Title Deadline**. 360 **8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the 361 Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**. 362 Buyer's objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding 363 § 13, or any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or 364 Title Documents are not received by Buyer on or before the **Record Title Deadline**, or if there is an endorsement to the Title 365 Commitment that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be 366 delivered to Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object 367 to: (1) any required Title Document not timely received by Buyer, (2)

any change to the Abstract of Title, Title Commitment or 368 Title Documents, or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of 369 Title Objection, pursuant to this § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7.

370 (Right to Object to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents 371 required by § 8.1. (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection 372 by the applicable deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title 373 Commitment and Title Documents as satisfactory.

374 **8.3. Off-Record Title.** Seller must deliver to Buyer, on or before **Off-Record Title Deadline**, true copies of all existing 375 surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without 376 limitation, governmental improvements approved, but not yet installed) or other title matters not shown by public records, of 377 which Seller has actual knowledge (Off-Record Matters). This Section excludes any **New ILC** or **New Survey** governed under § 9 378 (New ILC, New Survey). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property 379 not shown by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate 380 or Notice of Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, 381 notwithstanding § 8.2. (Record Title) and § 13 (Transfer of Title), in Buyer's sole subjective discretion, must be received by Seller 382 on or before **Off-Record Title Objection Deadline**. If an Off-Record Matter is received by Buyer after the **Off-Record Title** 383 **Deadline**, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. 384 If Seller receives Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title 385 objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller does not receive 386 Buyer's Notice to Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts title subject to 387 such Off-Record Matters and rights, if any, of third parties not shown by public records of which Buyer has actual knowledge.

388 **8.4. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION** 389 **INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE** 390 **PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK** 391 **FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE** 392 **CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH** 393 **INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE** 394 **SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY** 395 **TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY AND BY OBTAINING** 396 **FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND** 397 **RECORDER, OR THE COUNTY ASSESSOR.**

398 **8.5. Tax Certificate.** A tax certificate paid for by **Seller Buyer**, for the Property listing any special taxing 399 districts that affect the Property (Tax Certificate) must be delivered to Buyer on or before **Record Title Deadline**. If the Property 400 is located within a special taxing district and such inclusion is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer 401 may terminate, on or before **Record Title Objection Deadline**. Should Buyer receive the Tax Certificate after **Record Title** 402 **Deadline**, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on 403 or before ten days after Buyer's receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if Buyer's Notice to 404 Terminate would otherwise be required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received 405 by Seller on or before Closing. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the 406 provisions of the Tax Certificate and the inclusion of the Property in a special taxing district, if applicable, as satisfactory and 407 Buyer waives any Right to Terminate under this provision. If Buyer's loan specified in §4.5.3. (Loan Limitations) prohibits Buyer 408 from paying for the Tax Certificate, the Tax Certificate will be paid for by Seller.

409 **8.6. Third Party Right to Purchase/Approve.** If any third party has a right to purchase the Property (e.g., right of first 410 refusal on the Property, right to purchase the Property under a lease or an option held by a third party to purchase the Property) or a 411 right of a third party to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of 412 such right. If the third-party holder of such right exercises its right this Contract will terminate. If the third party's right to purchase 413 is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly 414 notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this Contract has not 415 occurred on or before **Third Party Right to Purchase/Approve Deadline**, this Contract will then terminate. Seller will supply to 416 Buyer, in writing, details of any Third Party Right to Purchase the Property on or before the Record Title Deadline.

417 **8.7. Right to Object to Title, Resolution.** Buyer has a right to object or terminate, in Buyer's sole subjective discretion, 418 based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3. (Off-Record Title), § 8.5. (Special 419 Taxing District) and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title 420 matter, on or before the applicable deadline, Buyer has the following options:

421 **8.7.1. Title Objection, Resolution.** If Seller receives Buyer's written notice objecting to any title matter (Notice 422 of Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on 423 or before

Title Resolution Deadline, this Contract will terminate on the expiration of **Title Resolution Deadline**, unless Seller 424 receives Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such 425 items and waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the 426 Record Title Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2. (Record Title) or § 8.3. (Off 427 Record Title) the Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after 428 Buyer's receipt of the applicable documents; or

429 **8.7.2. Title Objection, Right to Terminate.** Buyer may exercise the Right to Terminate under § 24.1., on or 430 before the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion. 431 **8.8. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and should be reviewed 432 carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property, 433 including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations, 434 unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and 435 various laws and governmental regulations concerning land use, development and environmental matters. 436 **8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE 437 PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF 438 THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR 439 WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, 440 GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS 441 MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE 442 MINERAL ESTATE, OIL, GAS OR WATER.**

443 **8.8.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO 444 ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A 445 MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND 446 RECORDER.**

447 **8.8.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT 448 TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION 449 OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING 450 OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.**

451 **8.8.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL 452 INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING 453 DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL 454 AND GAS CONSERVATION COMMISSION.**

455 **8.8.5. Title Insurance Exclusions.** Matters set forth in this Section and others, may be excepted, excluded from, 456 or not covered by the owner's title insurance policy.

457 **8.9. Mineral Rights Review.** Buyer **Does Does Not** have a Right to Terminate if examination of the Mineral 458 Rights is unsatisfactory to Buyer on or before the **Mineral Rights Examination Deadline**.

459 **9. NEW ILC, NEW SURVEY.**

460 **9.1. New ILC or New Survey.** If the box is checked, (1) **New Improvement Location Certificate (New ILC)**; or, 461 (2) **New Survey** in the form of **If available from seller or required by title company**; is required and the 462 following will apply:

463 **9.1.1. Ordering of New ILC or New Survey.** **Seller Buyer** will order the New ILC or New Survey. The 464 New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a 465 date after the date of this Contract.

466 **9.1.2. Payment for New ILC or New Survey.** The cost of the New ILC or New Survey will be paid, on or before 467 Closing, by: **Seller Buyer** or:

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470 **9.1.3. Delivery of New ILC or New Survey.** Buyer, Seller, the issuer of the Title Commitment (or the provider 471 of the opinion of title if an Abstract of Title) and **None** will receive a New ILC or New Survey on or before **New ILC or New 472 Survey Deadline**.

473 **9.1.4. Certification of New ILC or New Survey.** The New ILC or New Survey will be certified by the surveyor 474 to all those who are to receive the New ILC or New Survey.

475 **9.2. Buyer's Right to Waive or Change New ILC or New Survey Selection.** Buyer may select a New ILC or New 476 Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the **New ILC or New 477 Survey Objection Deadline**. Buyer may, in Buyer's sole subjective discretion, waive a New ILC or New Survey if done prior to 478 Seller incurring any cost for the same.

479 **9.3. New ILC or New Survey Objection.** Buyer has the right to review and object based on the New ILC or New 480 Survey. If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective 481 discretion, Buyer

may, on or before **New ILC or New Survey Objection Deadline**, notwithstanding § 8.3. or § 13: 482 **9.3.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or 483 **9.3.2. New ILC or New Survey Objection.** Deliver to Seller a written description of any matter that was to be 484 shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer requires Seller to correct. 485 **9.3.3. New ILC or New Survey Resolution.** If a **New ILC or New Survey Objection** is received by Seller, on 486 or before **New ILC or New Survey Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof

487 on or before **New ILC or New Survey Resolution Deadline**, this Contract will terminate on expiration of the **New ILC or New** 488 **Survey Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the New ILC or New Survey Objection before 489 such termination (i.e., on or before expiration of **New ILC or New Survey Resolution Deadline**).

490 **DISCLOSURE, INSPECTION AND DUE DILIGENCE**

491 **10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY, DUE DILIGENCE AND SOURCE** 492 **OF WATER.**

493 **10.1. Seller's Property Disclosure.** On or before **Seller's Property Disclosure Deadline**, Seller agrees to deliver to 494 Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed 495 by Seller to Seller's actual knowledge and current as of the date of this Contract.

496 **10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition.** Seller must disclose to Buyer 497 any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material 498 facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely 499 disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of 500 Closing or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer 501 acknowledges that Seller is conveying the Property to Buyer in an "As Is" condition, "Where Is" and "With All Faults."

502 **10.3. Inspection.** Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections 503 (by one or more third parties, personally or both) of the Property, Leased Items, and Inclusions (Inspection), at Buyer's expense. If 504 (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the 505 electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased 506 Items, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g., 507 heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor 508 or noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in 509 Buyer's sole subjective discretion, Buyer may:

510 **10.3.1. Inspection Termination.** On or before the **Inspection Termination Deadline**, notify Seller in writing, 511 pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition, provided the Buyer did not previously 512 deliver an Inspection Objection. Buyer's Right to Terminate under this provision expires upon delivery of an Inspection Objection 513 to Seller pursuant to § 10.3.2.; or

514 **10.3.2. Inspection Objection.** On or before the **Inspection Objection Deadline**, deliver to Seller a written 515 description of any unsatisfactory condition that Buyer requires Seller to correct.

516 **10.3.3. Inspection Resolution.** If an Inspection Objection is received by Seller, on or before **Inspection Objection** 517 **Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Inspection Resolution Deadline**, 518 this Contract will terminate on **Inspection Resolution Deadline** unless Seller receives Buyer's written withdrawal of the 519 Inspection Objection before such termination (i.e., on or before expiration of **Inspection Resolution Deadline**). Nothing in this 520 provision prohibits the Buyer and the Seller from mutually terminating this Contract before the Inspection Resolution Deadline 521 passes by executing an Earnest Money Release.

522 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other written agreement 523 between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at 524 Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer 525 must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify, 526 protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such 527 Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against 528 any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and 529 expenses. The provisions of this Section survive the termination of this Contract. This § 10.4. does not apply to items performed 530 pursuant to an Inspection Resolution.

531 **10.5. Insurability.** Buyer has the Right to Terminate under § 24.1., on or before **Property Insurance Termination** 532 **Deadline**, based on any unsatisfactory provision of the availability, terms and conditions and premium for property insurance 533 (Property Insurance) on the Property, in Buyer's sole subjective discretion.

534 **10.6. Due Diligence.**

535 **10.6.1. Due Diligence Documents.** Seller agrees to deliver copies of the following documents and information 536 pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or before **Due Diligence Documents** 537 **Delivery Deadline:**

538 **10.6.1.1. Occupancy Agreements.** All current leases, including any amendments or other occupancy 539 agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing 540 are as follows (Leases):

541

542 **None**

543 **10.6.1.2. Leased Items Documents.** If any lease of personal property (§ 2.5.4., Leased Items) will be 544 transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information pertaining to the personal property to 545 Buyer on or before **Due Diligence Documents Delivery Deadline.** Buyer **Will Will Not** assume the Seller's obligations 546 under such leases for the Leased Items (§ 2.5.4., Leased Items).

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548 **10.6.1.3. Encumbered Inclusions Documents.** If any Inclusions owned by Seller are encumbered 549 pursuant to § 2.5.2. (Encumbered Inclusions) above, Seller agrees to deliver copies of the evidence of debt, security and any other 550 documents creating the encumbrance to Buyer on or before **Due Diligence Documents Delivery Deadline.** Buyer **Will** 551 **Will Not** assume the debt on the Encumbered Inclusions (§ 2.5.2., Encumbered Inclusions).

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553 **10.6.1.4. Other Documents.** If the respective box is checked, Seller agrees to additionally deliver copies 554 of the following:

555 **10.6.1.4.1.** All contracts relating to the operation, maintenance and management of the 556 Property;

557 **10.6.1.4.2.** Property tax bills for the last years;

558 **10.6.1.4.3.** As-built construction plans to the Property and the tenant improvements, 559 including architectural, electrical, mechanical and structural systems; engineering reports; and permanent Certificates of 560 Occupancy, to the extent now available;

561 **10.6.1.4.4.** A list of all Inclusions to be conveyed to Buyer;

562 **10.6.1.4.5.** Operating statements for the past years;

563 **10.6.1.4.6.** A rent roll accurate and correct to the date of this Contract; 564 **10.6.1.4.7.** A schedule of any tenant improvement work Seller is obligated to complete but 565 has not yet completed and capital improvement work either scheduled or in process on the date of this Contract; 566 **10.6.1.4.8.** All insurance policies pertaining to the Property and copies of any claims which 567 have been made for the past years;

568 **10.6.1.4.9.** Soils reports, surveys and engineering reports or data pertaining to the Property 569 (if not delivered earlier under § 8.3.);

570 **10.6.1.4.10.** Any and all existing documentation and reports regarding Phase I and II 571 environmental reports, letters, test results, advisories and similar documents respective to the existence or nonexistence of 572 asbestos, PCB transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks and/or radon 573 gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or 574 known to Seller;

575 **10.6.1.4.11.** Any *Americans with Disabilities Act* reports, studies or surveys concerning the 576 compliance of the Property with said Act;

577 **10.6.1.4.12.** All permits, licenses and other building or use authorizations issued by any 578 governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use 579 authorizations, if any; and

580 **10.6.1.4.13.** Other:

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582 **Any and all documents in the Sellers possession**

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587 **10.6.2. Due Diligence Documents Review and Objection.** Buyer has the right to review and object based on the 588 Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole 589 subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline:**

590 **10.6.2.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is 591 terminated; or

592 **10.6.2.2. Due Diligence Documents Objection.** Deliver to Seller a written description of any 593 unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.

594 **10.6.2.3. Due Diligence Documents Resolution.** If a Due Diligence Documents Objection is received by 595 Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a 596 settlement thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence** 597 **Documents Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection 598 before such termination (i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**).

599 **10.6.3. Zoning.** Buyer has the Right to Terminate under § 24.1., on or before **Due Diligence Documents** 600 **Objection Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with 601 jurisdiction over the Property, in Buyer's sole subjective discretion.

602 **10.6.4. Due Diligence – Environmental, ADA.** Buyer has the right to obtain environmental inspections of the 603 Property including Phase I and Phase II Environmental Site Assessments, as applicable. **Seller Buyer** will order or provide 604 **Phase I Environmental Site Assessment, Phase II Environmental Site Assessment** (compliant with most current version of the

605 applicable ASTM E1527 standard practices for Environmental Site Assessments) and/or **None**, at the expense of **Seller** 606 **Buyer** (Environmental Inspection). In addition, Buyer, at Buyer's expense, may also conduct an evaluation whether the Property 607 complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be conducted at 608 such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the 609 Property, if any.

610 If Buyer's Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the 611 **Environmental Inspection Termination Deadline** will be extended by **n/a** days (Extended Environmental Inspection Objection 612 Deadline) and if such Extended Environmental Inspection Objection Deadline extends beyond the **Closing Date**, the **Closing Date** 613 will be extended a like period of time. In such event, **Seller Buyer** must pay the cost for such Phase II Environmental Site 614 Assessment.

615 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.4., Buyer has the 616 Right to Terminate under § 24.1., on or before **Environmental Inspection Termination Deadline**, or if applicable, the Extended 617 Environmental Inspection Objection Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole 618 subjective discretion.

619 Buyer has the Right to Terminate under § 24.1., on or before **ADA Evaluation Termination Deadline**, based on any 620 unsatisfactory ADA Evaluation, in Buyer's sole subjective discretion.

621 **10.7. Conditional Upon Sale of Property.** This Contract is conditional upon the sale and closing of that certain property 622 owned by Buyer and commonly known as **n/a**. Buyer has the Right to Terminate under § 24.1. effective upon Seller's receipt of 623 Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if such property is not sold and closed by such deadline. 624 This Section is for the sole benefit of Buyer. If Seller does not receive Buyer's Notice to Terminate on or before **Conditional Sale** 625 **Deadline**, Buyer waives any Right to Terminate under this provision.

626 **10.8. Source of Potable Water (Residential Land and Residential Improvements Only).** Buyer **Does Does Not** 627 acknowledge receipt of a copy of Seller's Property Disclosure or Source of Water Addendum disclosing the source of potable water 628 for the Property. There is **No Well**. Buyer **Does Does Not** acknowledge receipt of a copy of the current well permit. 629 **Note to Buyer: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND** 630 **WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO** 631 **DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.** 632 **10.9. Existing Leases; Modification of Existing Leases; New Leases.** Seller states that none of the Leases to be assigned 633 to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent abatements except as disclosed in the 634 Lease or other writing received by Buyer. Seller will not amend, alter, modify, extend or cancel any of the Leases nor will Seller 635 enter into any new leases affecting the Property without the prior written consent of Buyer, which consent will not be unreasonably 636 withheld or delayed.

637 **10.10. Lead-Based Paint.** [Intentionally Deleted - See Residential Addendum if applicable] 638 **10.11. Carbon Monoxide Alarms.** [Intentionally Deleted - See Residential Addendum if applicable] 639 **10.12. Methamphetamine Disclosure.** [Intentionally Deleted - See Residential Addendum if applicable]

640 **11. TENANT ESTOPPEL STATEMENTS.**

641 **11.1. Estoppel Statements Conditions.** Buyer has the right to review and object to any Estoppel Statements. Seller must 642 request from all tenants of the Property and if received by Seller, deliver to Buyer on or before **Estoppel Statements Deadline**, 643 statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel 644 Statement) attached to a copy of the Lease stating:

645 **11.1.1.** The commencement date of the Lease and scheduled termination date of the Lease; 646 **11.1.2.** That said Lease is in full force and effect and that there have been no subsequent modifications or 647 amendments;

648 **11.1.3.** The amount of any advance rentals paid, rent concessions given and deposits paid to Seller; 649 **11.1.4.** The amount of monthly (or other applicable period) rental paid to Seller;

650 **11.1.5.** That there is no default under the terms of said Lease by landlord or occupant; and 651 **11.1.6.** That the Lease to which the Estoppel Statement is attached is a true, correct and complete copy of the Lease 652 demising the premises it describes.

653 **11.2. Seller Estoppel Statement.** In the event Seller does not receive from all tenants of the Property a completed signed 654 Estoppel Statement, Seller agrees to complete and execute an Estoppel Statement setting forth the information and documents 655 required §11.1. above and deliver the same to Buyer on or before **Estoppel Statements Deadline**.

11.3. Estoppel Statements Termination. Buyer has the Right to Terminate under § 24.1., on or before **Estoppel Statements Termination Deadline**, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if Seller fails to deliver the Estoppel Statements on or before **Estoppel Statements Deadline**. Buyer also has the unilateral right to waive any unsatisfactory Estoppel Statement.

660 CLOSING PROVISIONS

661 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 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 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** or by mutual agreement at an earlier date. At Closing, Seller agrees to deliver a set of keys for the Property to Buyer.

The hour and place of Closing will be as designated by **Mutual agreement of parties**. **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). **12.5. Assignment of Leases.** Seller must assign to Buyer all Leases at Closing that will continue after Closing and Buyer must assume Seller's obligations under such Leases. Further, Seller must transfer to Buyer all Leased Items and assign to Buyer such leases for the Leased Items accepted by Buyer pursuant to § 2.5.4. (Leased Items).

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

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

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

689 15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND 690 WITHHOLDING.

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**.

15.3. Association Fees and Required Disbursements. At least fourteen days prior to **Closing Date**, Seller agrees to promptly request that the Closing Company or the Association deliver to Buyer a current Status Letter, if applicable. Any fees associated with or specified in the Status Letter will be paid as follows:

15.3.1. Status Letter Fee. Any fee incident to the issuance of Association's Status Letter must be paid by **Buyer Seller One-Half by Buyer and One-Half by Seller N/A**.

15.3.2. Record Change Fee. Any Record Change Fee must be paid by **Buyer Seller One-Half by Buyer and One-Half by Seller N/A**.

15.3.3. Assessments, Reserves or Working Capital. All assessments required to be paid in advance (other than Association Assessments as defined in § 16.2. (Association Assessments), reserves or working capital due at Closing must be paid by **Buyer Seller One-Half by Buyer and One-Half by Seller N/A**.

15.3.4. Other Fees. Any other fee listed in the Status Letter as required to be paid at Closing will be paid by **Buyer Seller One-Half by Buyer and One-Half by Seller N/A**.

707 **15.4. Local Transfer Tax.** Any Local Transfer Tax must be paid at Closing by **Buyer Seller One-Half by 708 Buyer and One-Half by Seller N/A.**

709 **15.5. Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be paid when due by 710 **Buyer Seller One-Half by Buyer and One-Half by Seller N/A.**

711 **15.6. Private Transfer Fee.** Any private transfer fees and other fees due to a transfer of the Property, payable at Closing, 712 such as community association fees, developer fees and foundation fees, must be paid at Closing by **Buyer Seller 713 One-Half by Buyer and One-Half by Seller N/A.**

714 **15.7. Water Transfer Fees.** Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed 715 \$ 0.00 for:
716 Water Stock/Certificates Water District

717 Augmentation Membership Small Domestic Water Company

718 and must be paid at Closing by **Buyer Seller One-Half by Buyer and One-Half by Seller N/A.** 719 **15.8. Utility Transfer Fees.** Utility transfer fees can change. Any fees to transfer utilities from Seller to Buyer must be 720 paid by **Buyer Seller One-Half by Buyer and One-Half by Seller N/A.**

721 **15.9. FIRPTA and Colorado Withholding.**

722 **15.9.1. FIRPTA.** The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be 723 withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for 724 the amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller **IS** a 725 foreign person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a 726 foreign person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any 727 reasonably requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing 728 Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if 729 withholding applies or if an exemption exists.

730 **15.9.2. Colorado Withholding.** The Colorado Department of Revenue may require a portion of the Seller's 731 proceeds be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller 732 agrees to cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If 733 withholding is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should 734 inquire with Seller's tax advisor to determine if withholding applies or if an exemption exists.

735 **16. PRORATIONS AND ASSOCIATION ASSESSMENTS.**

736 **16.1. Prorations.** The following will be prorated to the **Closing Date**, except as otherwise provided: 737 **16.1.1. Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate 738 taxes for the year of Closing, based on **Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill 739 Levy and Most Recent Assessed Valuation, Other .**

740 **16.1.2. Rents.** Rents based on **Rents Actually Received Accrued.** At Closing, Seller will transfer or credit 741 to Buyer the security deposits for all Leases assigned to Buyer, or any remainder after lawful deductions, and notify all tenants in 742 writing of such transfer and of the transferee's name and address.

743 **16.1.3. Other Prorations.** Water and sewer charges, propane, interest on continuing loan and . 744 **16.1.4. Final Settlement.** Unless otherwise specified in Additional Provisions, these prorations are final. 745 **16.2. Association Assessments.** Current regular Association assessments and dues (Association Assessments) paid in 746 advance will be credited to Seller at Closing. Cash reserves held out of the regular Association Assessments for deferred 747 maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. 748 Buyer acknowledges that Buyer may be obligated to pay the Association, at

Closing, an amount for reserves or working capital. 749 Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of **Buyer Seller**. Except 750 however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature 751 hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in Additional 752 Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current regular 753 assessments and **None_**. Association Assessments are subject to change as provided in the Governing Documents.

754 **17. POSSESSION.** Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date at Possession 755 Time**, subject to the Leases as set forth in § 10.6.1.1.

756 If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be 757 additionally liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of \$ **50.00** per day (or any part of a day 758 notwithstanding § 3.3., Day) from **Possession Date and Possession Time** until possession is delivered.

759 **GENERAL PROVISIONS**

760 **18. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND** 761 **WALK-THROUGH.** Except as otherwise provided in this Contract, the Property, Inclusions or both will be delivered in the 762 condition existing as of the date of this Contract, ordinary wear and tear excepted.

763 **18.1. Causes of Loss, Insurance.** In the event the Property or Inclusions are damaged by fire, other perils or causes of 764 loss prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of 765 the damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance 766 proceeds, will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under 767 § 24.1., on or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should 768 Buyer elect to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance 769 proceeds that were received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus 770 the amount of any deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event 771 Seller has not received the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the 772 Property repaired prior to Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if 773 acceptable to Seller's insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the 774 parties or their attorney requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and 775 will receive due to such damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the 776 insurance claim.

777 **18.2. Damage, Inclusions and Services.** Should any Inclusion or service (including utilities and communication 778 services), system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged 779 between the date of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement 780 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 781 maintenance or replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance 782 proceeds received by Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or 783 replaced on or before Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 24.1., on or before 784 **Closing Date**, or, at the option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or 785 Service. Such credit must not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the 786 Association, if any, will survive Closing.

787 **18.3. Condemnation.** In the event Seller receives actual notice prior to Closing that a pending condemnation action may 788 result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation 789 action. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, based on such condemnation action, in Buyer's 790 sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and 791 Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value 792 of the Property or Inclusions, but such credit will not include relocation benefits or expenses or exceed the Purchase Price.

793 **18.4. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to walk through the 794 Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract. 795 **18.5. Home Warranty. [Intentionally Deleted]**

796 **18.6. Risk of Loss – Growing Crops.** The risk of loss for damage to growing crops by fire or other casualty will be borne 797 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 798 the growing crops.

799 **19. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller acknowledge 800 that their respective broker has advised that this Contract has important legal consequences and has recommended: (1) legal 801 examination of title; (2) consultation with legal and tax or other counsel before signing this Contract as this Contract may have 802 important legal and tax implications; (3) to consult with their own attorney if Water Rights, Mineral Rights or Leased Items are 803 included or excluded in the sale; and (4) to consult with legal counsel if there are other matters in this transaction for which legal 804 counsel should be engaged and consulted. Such consultations must be done timely as this Contract has strict time limits, including 805 deadlines, that must be complied with.

806

807 **20. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence for all dates and deadlines in this Contract. 808 This means that all dates and deadlines are strict and absolute. If any payment due, including Earnest Money, is not paid, honored 809 or tendered when due, or if any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party 810 has the following remedies:

811 **20.1. If Buyer is in Default:**

812 **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money (whether or not paid 813 by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money is not a penalty, and the parties agree 814 the amount is fair and reasonable. Seller may recover such additional damages as may be proper. Alternatively, Seller may elect to 815 treat this Contract as

being in full force and effect and Seller has the right to specific performance or damages, or both.

816 **20.1.2. Liquidated Damages, Applicable. This § 20.1.2. applies unless the box in § 20.1.1. is checked.** Seller 817 may cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is

818 agreed that the Earnest Money amount specified in § 4.1. is LIQUIDATED DAMAGES and not a penalty, which amount the 819 parties agree is fair and reasonable and (except as provided in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for 820 Buyer's failure to perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and 821 additional damages.

822 **20.2. If Seller is in Default:**

823 **20.2.1. Specific Performance, Damages or Both.** Buyer may elect to treat this Contract as canceled, in which 824 case all Earnest Money received hereunder will be returned to Buyer and Buyer may recover such damages as may be proper. 825 Alternatively, in addition to the per diem in § 17 (Possession) for failure of Seller to timely deliver possession of the Property after 826 Closing occurs, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific 827 performance or damages, or both.

828 **20.2.2. Seller's Failure to Perform.** In the event Seller fails to perform Seller's obligations under this Contract, to 829 include, but not limited to, failure to timely disclose Association violations known by Seller, failure to perform any replacements 830 or repairs required under this Contract or failure to timely disclose any known adverse material facts, Seller remains liable for any 831 such failures to perform under this Contract after Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under 832 this Contract are reserved and survive Closing.

833 **21. LEGAL FEES, COST AND EXPENSES.** Anything to the contrary herein notwithstanding, in the event of any arbitration 834 or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must award to the prevailing party all 835 reasonable costs and expenses, including attorney fees, legal fees and expenses.

836 **22. MEDIATION.** If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties 837 must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps 838 to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is 839 binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator 840 and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire 841 dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at 842 that party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from 843 filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. 844 This Section will not alter any date in this Contract, unless otherwise agreed.

845 **23. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must release the Earnest 846 Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding 847 the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole 848 subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and 849 deposit Earnest Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and 850 reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money 851 Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the 852 lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is 853 authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has 854 not interpleaded the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order 855 of the Court. The parties reaffirm the obligation of § 22 (Mediation). This Section will survive cancellation or termination of this 856 Contract.

857 **24. TERMINATION.**

858 **24.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to Terminate), the 859 termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written 860 notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or 861 before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as 862 satisfactory and waives the Right to Terminate under such provision.

863 **24.2. Effect of Termination.** In the event this Contract is terminated, and all Earnest Money received hereunder is timely 864 returned to Buyer, the parties are relieved of all obligations hereunder, subject to §§ 10.4. and 21.

865 **25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS.** This Contract, its exhibits and specified 866 addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining 867 thereto,

whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the 868 terms of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right 869 or obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the 870 same. Any successor to a party receives the predecessor's benefits and obligations of this Contract.

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

872 **26.1. Physical Delivery and Notice.** Any document or notice to Buyer or Seller must be in writing, except as provided in 873 § 26.2. and is effective when physically received by such party, any individual named in this Contract to receive documents or 874 notices for such party, Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing 875 must be received by the party, not Broker or Brokerage Firm).

876 **26.2. Electronic Notice.** As an alternative to physical delivery, any notice may be delivered in electronic form to Buyer or 877 Seller, any individual named in this Contract to receive documents or notices for such party, Broker or Brokerage Firm of Broker 878 working with such party (except any notice or delivery after Closing, cancellation or Termination must be received by the party, 879 not Broker or Brokerage Firm) at the electronic address of the recipient by facsimile, email or _.

880 **26.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email at the email 881 address of the recipient, (2) a link or access to a website or server provided the recipient receives the information necessary to 882 access the documents, or (3) facsimile at the facsimile number (Fax No.) of the recipient.

883 **26.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed in accordance with 884 the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for real property 885 located in Colorado.

886 **27. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing, by Buyer and 887 Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to § 26 on or 888 before **Acceptance Deadline Date** and **Acceptance Deadline Time**. If accepted, this document will become a contract between 889 Seller and Buyer. A copy of this Contract may be executed by each party, separately and when each party has executed a copy 890 thereof, such copies taken together are deemed to be a full and complete contract between the parties.

891 **28. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not 892 limited to, exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations; Title** 893 **Insurance, Record Title and Off-Record Title; New ILC, New Survey; and Property Disclosure, Inspection, Indemnity,** 894 **Insurability Due Diligence and Source of Water.**

895 **ADDITIONAL PROVISIONS AND ATTACHMENTS**

896 **29. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado Real Estate 897 Commission.)

898 **Buyer and seller mutually agree that the sale is conditional upon town board approval.**

899
900
901
902
903
904
905
906
907
908

909 **30. OTHER DOCUMENTS.**

910 **30.1. Documents Part of Contract.** The following documents **are a part** of this Contract: 911

912
913

914 **30.2. Documents Not Part of Contract.** The following documents have been provided but are **not** a part of this Contract: 915

916
917

918 **SIGNATURES**

919

Buyer's Name: **Town of Ignacio** Buyer's Name:

Authentisign ID: 4E4E518C-95BB-EC11-997E-501AC586CB79

CBS4-6-21. CONTRACT TO BUY AND SELL REAL ESTATE (LAND) Page 18 of 20

Buyer's Signature Date Buyer's Signature Date Address: Address:

Phone No.: Phone No.:

Fax No.: Fax No.:

Email Address: **ccraig@townofignacio.com** Email Address:

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

Seller's Name: **Southern Colorado Community**

Action Agency, Inc. Seller's Name:

Seller's Signature Date Seller's Signature Date Address: Address:

Phone No.: Phone No.:

Fax No.: Fax No.:

Email Address: Email Address:

921

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

BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

A. Broker Working With Buyer

Broker **Does Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, 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 Transaction-Broker** in this transaction.

Customer. Broker has no brokerage relationship with Buyer. See § B for Broker's brokerage relationship with Seller.

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

This Broker's Acknowledgements and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.

Brokerage Firm's Name: **R1 Colorado**
Brokerage Firm's License #: **EC100078030**
Broker's Name: **DeeDee Kendall**
Broker's License #: **IA100044781**

Authentisign ID: 4E4E518C-95BB-EC11-997E-501AC586CB79

CBS4-6-21. CONTRACT TO BUY AND SELL REAL ESTATE (LAND) Page 19 of 20

Broker's Signature Date

Address: **65 Mercado Street**
Durango, CO 81301
Phone No.: **970-382-9396**
Fax No.:
Email Address: **laplatacountyhomes@gmail.com**

B. Broker Working with Seller

Broker **Does Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, 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 Seller as a **Seller's Agent Transaction-Broker** in this transaction.

Customer. Broker has no brokerage relationship with Seller. See § A for Broker's brokerage relationship with Buyer.

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

This Broker's Acknowledgements and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.

Brokerage Firm's Name:
Brokerage Firm's License #:
Broker's Name: **Zane Wells**
Broker's License #:

Broker's Signature Date

Address:

Phone No.:
Fax No.:

Email Address: **zane@wellsgroupdurango.com**

923

**The Wells Group of Durango,
Inc. Zane Wells**

1 The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CP40-6-21) (Mandatory 1-22)

2

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

4

5 **COUNTERPROPOSAL**

6 Date: **4/18/2022** 7

8 1. This Counterproposal supersedes and replaces any previous counterproposal. This 9 Counterproposal amends the proposed contract dated **4/14/2022** (Contract) between **Southern Colorado Community Action Agency, Inc.** (Seller) and **Town of Ignacio** (Buyer) relating to

10 the sale and purchase of the following legally described real estate in the County of **LaPlata**, Colorado (insert

legal description):

Subdivision: ASPAAS ADD (IGN) Block: 8 Lot: 9 THRU:- Lot: 13 ASPAAS 1ST ADD 825 GODDARD AVE #4 825 1/2 GODDARD AVE IGNACIO 81137

&

Subdivision: ASPAAS ADD (IGN) Block: 8 Lot: 8 ASPAAS 1ST ADD 827 GODDARD AVE 11 IGNACIO 81137

&

Subdivision: ASPAAS ADD (IGN) Block: 8 Lot: 7 ASPAAS 1ST ADD 845 GODDARD AVE IGNACIO 81137

12 known as: **825, 827 & 845 Goddard Avenue, Ignacio, CO 81137** (Property).

13

14 **NOTE: If the table is omitted, or if any item is left blank or is marked in the "No Change" column, it means no change to the corresponding provision of the Contract. If any item is marked in the "Deleted" column, it means that the corresponding provision of the Contract to which reference is made is deleted.**

15

16 2. § 3.1. Dates and Deadlines. [Omitted as inapplicable]

17

18 3. § 4. PURCHASE PRICE AND TERMS. [Omitted as inapplicable]

19

20 4. ATTACHMENTS. The following are a part of this Counterproposal:

21 **no change**

22 **Note:** The following documents have been provided but are **not** a part of this Counterproposal:

23 **no change**

24

25 5. OTHER CHANGES.

Title/Warranty Deed is currently held in the name of "Southern Ute Community Action Programs, INC., a Nonprofit Corporation. Seller will be required to Quit Claim Deed the current Warranty Deed/Title work into their current name of " Southern Colorado

26

Community Action Agency, Inc" no later than 10 business days prior to closing at Seller's expense.

27

28 **6. ACCEPTANCE DEADLINE.** This Counterproposal expires unless accepted in writing by Seller and Buyer as evidenced by their signatures below and the offering party to this document receives notice

of such acceptance on or before **4/19/2022 11:59PM MST**.

Seller(s) Initials:

CTMeContracts.com - ©2022 CTM Software Corp.

Authentisign ID: 575171BB-69BF-EC11-997E-501AC586CB79

Date Time

29

30 If accepted, the Contract, as amended by this Counterproposal, will become a contract between Seller and
Buyer. All other terms and conditions of the Contract remain the same.

31

32 Date: **4/18/2022**

Seller: **Southern Colorado Community Action Agency, Inc.**

By: Lori Niewold, Executive Director

33

34 Seller: _____ Date: _____

35

36

Date:

37 38

of Ignacio

By: Clark

Craig

Buyer: **Town**

39 Buyer: _____ Date: _____

04/19/22

40

41

Note: When this Counterproposal form is used, the Contract is **not** to be signed by the party initiating this Counterproposal. Brokers must complete and sign the Broker's Acknowledgments and Compensation Disclosure portion of the Contract.

CP40-6-21. COUNTERPROPOSAL

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CP40-6-21. COUNTERPROPOSAL Page 2 of 2

Seller(s) Initials:

CTMeContracts.com - ©2022 CTM Software Corp.

Ignacio Community Library
Brytanny Medved
Youth Services

04/11/2022

Town of Ignacio
Ignacio, CO 81122

This is a formal request for a donation of financial support for Ignacio Community Library's Summer Reading Program. This year's theme is Oceans of Possibilities, with many exciting programs and activities planned; including a Water Safety class taught by Josh the Otter from Sun Ute Rec Center, an Underwater Communications class brought by Splash Down Diving of Durango, CO, and games, activities, crafts, and experiments put together by library staff to introduce many different aspects of oceanic information and history. Nine weeks of programs have been designed for targeted interest: babies and toddlers, approximately 5 to 10 years, 11 years and up, and some family or adult. The estimated cost of supplies for all nine weeks of games, activities, crafts, and experiments put together by our library staff is around \$300 at my best estimate.

We have additionally requested other donations, including play sand from Home Depot of Durango, kiddie pools from Big 5 in Durango, and a good heavy duty tarp from Walker's Hardware in Ignacio. No request has yet been approved or received.

Thank you for allowing me to make this request on behalf of Ignacio Community Library, and thank you for your consideration.

Brytanny Medved
Ignacio Community Library
bmedved@ignaciolibrary.org
970-563-9287

Town of Ignacio Board Appointments

La Plata Economic Development Alliance Board –

Board Meetings (monthly) currently the first Wednesday of each month, 3:30-5pm, Durango Chamber of Commerce Conference Room or via Zoom.

Prep work required usually ½ - 1 hour to look through the packet; Email correspondence as needed

LPEDA Investor Meeting monthly on the second Tuesday of the month, 7:30 – 9am, FLC Innovation Center Durango Main Mall and viz Zoom, 8-9am

Prep work required share a short update on the Town of Ignacio

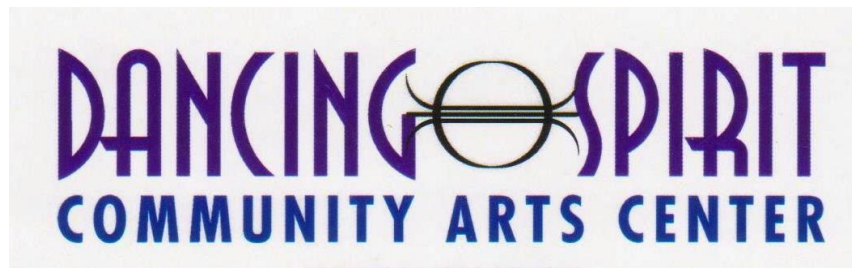
Other activities that participation is expected: Chairman's Circle Events, The Economic Summit (Summit committee if desired), other membership appreciation events

Colorado Municipal League Policy Committee –

Committee Meetings (monthly) during legislative session usually October – April, meetings 2nd Friday of the month, 9am – 12pm, now via Zoom

Prep work required 1-2 hours packet, more for researching bills as needed

FYI Reviewing Weekly Statehouse Reports is very helpful (15-20 minutes per week)



March 29, 2022

To Mark Garcia, Ignacio Town Manager and the Town Board Trustees,

Dancing Spirit Community Arts Center has been helping the community of Ignacio since 2010 through art programs and camps for children; classes and workshops for adults and families; by offering Ignacio's only art gallery and co-op; and through therapeutic arts at the Ignacio Schools, the Department of Justice and the Southern Ute Indian Tribe as well as creating public art such as the flags on main street. In some way, we are fairly certain that we have touched each of your lives, whether through your children, our community programs or our public art, and we are thankful for that privilege.

During the past 12 years, we have had to move four times, residing first at 630 Goddard; then 640 Goddard; followed by 755 Goddard; and finally helping pilot and being a founding tenant at the ELHI Community Center at 115 Ute Street. Although what we have offered the community hasn't decreased, with each move, we have lost a little bit of our identity as "Ignacio's Community Arts Center", and are sadly told by many that they had no idea we were still here, making it very clear that it is past time we finally focus on building Dancing Spirit a permanent home.

In the pursuit making this community dream a reality, we have purchased the lots at 465 Goddard (between Nuccui Baptist Church and the laundromat) and are asking for your support, financial investment in our community, and assistance with the Southern Ute Tribe, by waiving the town gas, water and sewer tap fees, and by passing this request on to the Southern Ute Utilities and Growth Fund as per their request.

With your help, and once our new building is ready, we plan to restart and build up our art gallery with art openings and shows for professional and aspiring artists; add more classes and workshops and bring in live music, pottery and art demonstrations while continuing to offer our children's camps, public art and therapeutic art programs.

We are thankful for your support in the past and are looking forward to our future collaborations. The journey to our dreams begins here, and we need you.

With gratitude,

Kasey Correia, Executive Director
Dancing Spirit Community Arts Center



Application for Board or Commission Appointment

PLEASE PRINT CLEARLY

On which of the Commissions or Boards are you interested in serving on?

X Planning Commission _____ Board of Adjustment _____ Board of Trustees

Is this a reappointment request? _____ If yes, how long have you served? _____

NAME: Kasey (Kathleen) Corrigan

PHYSICAL ADDRESS: 3300 Cnty Rd 319

MAILING ADDRESS: PO Box 1228 Ignacio, Co 81137

CONTACT PHONE: (970) 769-1364 WORK PHONE: (970) 563-4600

EMAIL ADDRESS: skydancerranch@yahoo.com

LENGTH OF TIME AT CURRENT ADDRESS: 11 years OCCUPATION: Director, Rental management
machinist

I hereby certify and affirm that all the information contained in this application is true, complete and correct. I understand that false or misleading statements, or the omission of important information made on this application or any time during the process, may disqualify me from serving in this position. I understand that the Board of Trustees must appoint members to all Boards and Commissions.

Kasey Corrigan
Applicant's Signature

4/26/2022
Date

1. Tell us briefly about yourself, why you are interested in being appointed and what experience or education would you bring to this Board or Commission?

I moved into town of Ignacio in Sept. 2000 and by 2001 was on the Planning commission, then Town Board, Steering Committee for revitalization of our town. I have served on SUCAP Board, Ignacio Chamber board and SAIT BGC. I have training w/ CIRD at a federal level community institution for Rural Development. Also certified Change Leader from state dept. CCI art + economics. I believe that I have experience + vision to bring to our community from owning rentals, businesses and living here. I can bring passion + knowledge for the planning of our town.

2. Why do you wish to be appointed/reappointed to this Board or Commission?

I have seen our town go through two important growths while I have been here. 2010 new buildings + energy. When the grocery store was tore down and a brand new one replaced it 2016? Our town is on the verge of a new growth again. It is important to me to help listen to citizen's use our current codes to help guide the success. Most of all I believe in our community + have invested time in public service.

3. Are you aware of the time commitment and do you have the personal time to devote to this Board or Commission?

We all know I am a busy gal. 😊
You look at my history and I have and will fulfill my commitment if selected.

Thank you for your interest and time commitment in serving your community.

**Ignacio Police Department
Monthly Report – May 2022**

BY: Kirk Phillips



In your packets, you will find a liquor license renewal for Family Dollar. There have been no violations at this business.

The Colorado Department of Revenue, Tobacco and Alcohol Enforcement Division was here a couple of weeks ago. They come to Ignacio every so often and send under age persons into licensed establishments to see if the business is checking ID's and not selling to underage persons. During their last visit, they were able to buy tobacco products from Farmer's Fresh and the 7 to 11 convenience Store. Both businesses received a \$500 fine for that violation.

There are several new grant opportunities that have just opened up that we will be pursuing. The first is the Limited Impact Gaming Grant, which is a grant that we pursue every year, as it helps off-set some of our direct costs associated with the Casino and gaming related calls for service. ** This Grant Application requires Board approval and I will ask for your permission to apply for this grant.

The second grant is the Patrick Leahy Bulletproof Vest Partnership (BVP) Program. This is a grant that will help pay for officer worn body armor. This grant at a minimum, will pay for 50% of the replacement

costs. Body armor has a life span of five (5) years. The average cost is \$1000 per officer.

And lastly, The COPS Grant is now open and one of the sections that we are interested in is the School Violence Prevention Program. If successful, this grant (for three (3) years duration,) would help pay for part of the School Resource Officer (SRO) Program. Currently, the School District pays all expenses for the program.

You may have seen last week the La Plata County Office of Emergency Management conducted a simulated Wild Fire Exercise. Mark and I observed some of this exercise and we will be working on an Action Plan/Emergency Response for the Town of Ignacio, that will integrate and mesh with the Southern Ute Tribe and La Plata County.

If you have any questions, please feel free to call me at 970/553-3074. Thanks.



COLORADO
MUNICIPAL
LEAGUE

Knowledge

KNOWLEDGE NOW – PRACTICAL RESEARCH ON TIMELY TOPICS

Briefing

- The FAMLI program provides employees with 12 weeks of paid leave to take care of themselves or a family member
- Participation in FAMLI is automatic for municipalities unless they formally opt out
- Opt-out votes and notice to the FAMLI Division should occur before the end of 2022 to avoid premium assessments in 2023
- Employees can take part in FAMLI even if their municipality declines to participate

COLORADO'S PAID FAMILY MEDICAL LEAVE INSURANCE (FAMLI) PROGRAM



FAMLI: WHAT'S RIGHT FOR YOUR CITY OR TOWN?

URGENT ACTION IS NEEDED. Colorado municipalities must make immediate decisions regarding their participation in Colorado's

Paid Family Medical Leave Insurance (FAMLI) program. Participation will have a substantial impact on your municipal budget, operations, and employee relations. **Participation is automatic for any municipality unless your council or board formally votes to decline participation or opt out. The FAMLI**

Division must be notified by the end of 2022 to avoid premium liability. CML is not encouraging municipalities to participate or to decline participation in the program. Each municipality should assess the program for themselves. Opting out now does not prevent later participation, and employees can still participate individually and should receive the full benefit of the program.

Continued on page 2

Colorado Municipal League
1144 Sherman St. • Denver, CO • 80203
303 831 6411 / 866 578 0936
www.cml.org



Empowered cities and towns, united for a strong Colorado

What is FAMLI?

In November 2020, Colorado voters approved Proposition 118, which paved the way for a state-run Paid Family Medical Leave Insurance (FAMLI) program. FAMLI is codified at C.R.S. §§ 8-13.3-501 to -524, and is administered through the Colorado Department of Labor and Employment, Division of Family and Medical Leave Insurance (famli.colorado.gov). Premiums will be collected (including employer and employee shares) starting **Jan. 1, 2023**, and benefits will be available starting **Jan. 1, 2024**.

FAMLI provides covered employees with 12 weeks of paid leave to take care of themselves or a family member during life events like injury, serious illness, or pregnancy. An additional 4 weeks are available to employees who experience pregnancy or childbirth complications. Payments would be at a rate below the employee's weekly rate, as described below. Leave can be taken together or intermittently. FAMLI benefits are portable between jobs.

FAMLI also provides job protection for employees who were employed for at least 180 days before the protected leave occurs. This means that an employer must return the employee to the same or an equivalent position with equivalent benefits, pay, and other terms and conditions following the leave. Employers must also maintain healthcare benefits during the leave, but the employee would have to continue to pay their share of the cost. Accrual of seniority and other benefits are not protected.

FAMLI is a separate program from the paid sick leave requirements of the Healthy Families and Healthy Workplaces Act and the Federal Family and Medical Leave Act (FMLA).

What will participation in FAMLI cost my city or town?

Participating employers and employees will contribute to premiums for FAMLI, and municipalities will bear the administrative costs of compliance. Premiums will be 0.9% of an employee's wage (HB22-1305 is pending in the General Assembly and

would reduce this to 0.81% for the first six months of the program). Wages and exempt items are determined under administrative rules (7 CCR 1107-1:1.5.3 and 1.5.4). A municipality can expect to contribute an amount equal to at least 0.45% of its current employee "wages" on an annual basis and possibly up to 0.90% of that figure. The FAMLI Division will provide notice of expected premiums and publish due dates and guidance on premium remittance.

A participating municipality (unless it has fewer than 10 employees) must remit 100% of the premium for each employee. The employer must directly contribute at least 50% of that amount (i.e., 0.45% of the employee's wage) and may require the employee to deduct the remaining 50% from their paycheck (i.e., employees would see a deduction of about 0.45% from their pay). An employer can choose to contribute part or all of the employee portion of the premium. For a municipality with fewer than 10 employees there is no "employer share"; the municipality can require the employee to deduct up to 50% but can also choose to contribute part or all of the employee portion.

An employer is responsible for any error it makes in calculating, deducting, and remitting premiums, including the employee portion.

If a municipality does not participate in FAMLI, the employee would be solely responsible for 50% of the premium if the employee elects to participate individually. The municipality can, but need not, deduct the employee portion from payroll and remit it to the state. If the municipality is involved in deducting or remitting the employee portion, any error would be the municipality's responsibility.

Why would my city or town not participate in FAMLI?

Declining participation in the FAMLI program is a significant decision, but it must be made quickly to meet FAMLI's initial deadlines. If a municipality does not opt out now, it must wait three years to decline participation. If a municipality opts out now, it can opt in any future year. It must renew its decision to decline participation at least every eight years.

The cost of the FAMLI program may outweigh the benefits to the municipality and its employees. FAMLI program participation will increase municipal budgets by at least 0.45% of its employees' wages annually and potentially more. FAMLI also includes additional administrative work for finance and human resources staff and raises employer liability concerns. Employees who want the paid benefits of FAMLI can participate individually at no greater personal cost and without imposing a cost on the municipality and other employees who do not want to participate.

Municipalities may want to make a local decision as to how to provide employee benefits and protections. Participation in the FAMLI program could conflict with existing employer benefits plans or collective bargaining agreements. Alternatives, like a private plan pursuant to C.R.S. § 8-13.3-521 (or adopted independently after opting out of FAMLI by a vote) or a supplemental insurance program, could be a better fit for your organization.

Because FAMLI is a new program and the program rules have not been fully established, a municipality may choose to be cautious and opt out initially so it can evaluate the program in operation to determine if it is the best choice for the municipality. By opting out, a municipality can determine budgetary and employment impacts locally. Because FAMLI assigns the costs of errors in calculating and remitting premiums to employers, a municipality may wish to wait until procedures can be developed to ensure compliance. Finally, the FAMLI Division has yet to issue all necessary administrative rules, including explaining the interplay between the program and other federal and state laws.

What is best for our employees?

Employees can still participate individually (C.R.S. § 8-13.3-514) and should receive the same benefits, even if the municipality declines participation. Benefits rules to be issued this year will hopefully confirm that benefits will apply equally. The cost to the employee who wants FAMLI coverage is the same whether the employer



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participates or not; employees who do not want this coverage would not have to pay any premium.

Employees who choose to participate individually when the municipality opts out would be required to remit their premium share directly to the FAMLI Division unless the municipality chooses to handle this payment by deducting the premium from the employee's pay or paying it on the employee's behalf.

Employees may benefit from a municipality opting out because the municipality would have no financial responsibility for 50% of the premium. The municipality could choose to use that savings to benefit employees directly, such as by paying for some or all of the 50% premium for employees who participate individually.

Employment protections under the statute do not apply if a municipality declines participation in FAMLI, but the

Federal Family and Medical Leave Act (for employers with 50 or more employees in the current or prior year) and any local standards would still apply.

What are the costs and benefits for employees?

Employees bear up to 50% of the premium (or 0.45% of their weekly wage) if the municipality participates or the employee chooses to participate individually. Employees who do not want to participate must still pay a premium if the municipality does not decline participation. Job protections defined in C.R.S. § 8-13.3-509, apply only if a municipality participates in the program.

By statute, an employee would receive a weekly benefit under FAMLI in the amount of 90% of their weekly wage that is equal to or less than 50% of the state average weekly wage, and 50% of their weekly wage that is more than 50% of the state

average weekly wage. Weekly benefits are capped at 90% of the state average weekly wage until 2025, when the maximum weekly benefit is limited to \$1,100 per week. The FAMLI Division suggests that an employee would receive benefits between 37% (\$1,100 based on a weekly wage of \$3,000 or more), 55% (\$1,100 based on a weekly wage of \$2,000), 68% (\$1,018 based on a weekly wage of \$1,500), 77% (\$768 based on a weekly wage of \$1,000), and 90% (\$450 based on a weekly wage of \$500) of the employee's weekly wage.

Benefits rules have not been finalized. The FAMLI Division provides a premium and benefits calculator on its website. Federal income tax may apply to benefits, but benefits are exempt from state income taxes.

How do we opt out?

All municipalities are included in FAMLI by default, regardless of size. A municipality

may opt out and avoid the employer portion of premiums by a vote of a governing body. The opt-out procedure is governed by C.R.S. § 8-13.3-514 and administrative rules at 7 CCR 1107-2. Declination takes effect 180 days after the vote so employees can elect to individually participate in the FAMLI program if they choose. A municipality cannot decline part of FAMLI's provisions.

Pre-vote notices: The municipality must give prior notice of the vote in the same manner it notices other public business. Under the Colorado Open Meetings Law, this means at least 24 hours advance notice must be posted. Local requirements may apply.

Special notice must be provided to employees in writing before the vote indicating the voting process and providing an opportunity to submit comments to the governing body. Information about individual opt-in may also be required (see 7 CCR 1107-2: 2.6.A.4), although those standards likely apply only to post-vote notices. The rules do not indicate that email communication is not appropriate (7 CCR 1107-2: 2.6.A.2). Municipalities might consider both email and written communications to employees.

A description of the voting process could identify the local requirements for the governing body to approve an action, including the potential to make a motion, council or board deliberation, and vote requirements. Municipalities could also consider allowing both oral testimony at the meeting and a written comment option.

Hearing and vote: The vote must occur at least 180 days before the declination will be effective (This deadline appears to apply to an initial declination before the program even begins in 2023, but the rules are not clear). While a formal hearing is not required, the rules require the governing body to take testimony before voting. This could include both verbal and written comments from any interested person.

The rules require that the vote follow the entity's procedures for formal votes and be a "decision by an affirmative vote of the local government's governing body



to decline participation in the [FAMLI] program" (7 CCR 1107-2: 2.6.A). The rules do not indicate that any formal approval mechanism is required, unless one is required by local standards. A motion, resolution, or ordinance may suffice but could modify the "voting process" that needs to be detailed to employees in the advance notice. At a minimum, the document should probably include language indicating that notice was given to employees and the public as required, testimony was taken, and that the body voted affirmatively to decline participation in the FAMLI program.

Post-vote actions: After a vote to decline participation, the municipality must provide several notices. First, the municipality must provide written notice to the FAMLI Division "memorializing the decision" and identifying the date of the vote. The rules are silent on the timing of notice to the FAMLI Division; prompt action is advised. The FAMLI Division has suggested that a letter would be sufficient and expects to have an electronic portal for submissions ready in late 2022. A certified record of the meeting (e.g., minutes showing the motion, vote, and date; resolution; ordinance) with a cover letter would provide a more concrete explanation of the vote and demonstrate compliance with other requirements (7 CCR 1107-2: 2.5.A and, 2.6.A).

Second, the municipality must provide written, individual notices to employees within 30 days after the vote. This notice must indicate the vote to decline coverage and "the impact toward FAMLI, or other paid family and leave insurance coverage" (7 CCR 1107-2: 2.6.A.3). The notice must explain the difference between the FAMLI program and any private plan offered by the local government and identify FMLA eligibility and other local benefits.

The employee notice (and possibly the pre-vote notice) must also provide information on the right of the employee to voluntarily opt in to FAMLI pursuant to C.R.S. § 8-13.3-514, and FAMLI Division contact information (7 CCR 1107-2: 2.6.A.4).

Third, the municipality must post the post-vote notice in a "conspicuous and accessible place in each establishment where employees are employed" (7 CCR 1107-2: 2.6.A.4). Email notice or posting on a web- or app-based platform is recommended and is required for employers with no physical workplace and for employees who work through a web- or app-based platform or work remotely.

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Special Notice Standards: The post-vote notice, at a minimum, and potentially all notices must be provided in English and any language representing the first language spoken by at least 5% of the municipality's workforce.

The FAMLI Division will make posters and notices available, but municipalities must request the materials and should expect to pay printing and mailing costs. Notices and posters in languages other than English or Spanish must be specially ordered.

Declination renewal: The declination must be renewed every eight years or the municipality is automatically added back in to FAMLI (7 CCR 1107-2: 2.5.C). The rules require "a similar vote process and margin." That likely means the same number of votes needed to approve an action, not passage by the exact same number of votes as the prior declination.

How do we opt back in to the FAMLI program?

A municipality that previously opted out of the FAMLI program may opt back in by affirmative vote "of a quorum of the governing body" at the beginning of the annual local budgeting cycle, as determined by the municipality (7 CCR 1107-2: 2.5 and 2.6). Coverage would begin no later than the quarter after the vote and submission of one quarter's premium. Municipalities who opt into FAMLI must stay in the program for at least three fiscal years.

Opting back in also involves employee notice requirements. No more than 90 days after the vote, individual employees who opted in must be personally notified in writing that the municipality has opted back into FAMLI. The notice must include the date for the municipality's first submittal of quarterly premiums and any potential lapses or changes in benefits eligibility. The local government must publicly post a notice of the date the employer will begin paying FAMLI premiums and when coverage is expected to start. Employees who did

not opt in must also be notified in writing, both publicly and personally, no later than 180 days after the vote to opt back into FAMLI. The notice must contain a detailed explanation of employee rights under the FAMLI program, including program requirements, benefits, claims processes, payroll deductions, premiums, and employee protections like the right to job protection and benefit continuation and protection against retaliatory or discriminatory information, among other things.

Anticipate updates to FAMLI program.

Municipalities must act now to determine if they want to participate in the FAMLI program, but they should expect updates throughout 2022. Several administrative regulations have yet to be finalized, including benefits rules and the interaction between FAMLI and other federal and state leave laws. The Colorado Supreme Court is also considering a court challenge to the premium requirement that might be decided this year.



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