

Town of Rico Memorandum

Date: February 14, 2025

TO: Town of Rico Board of Trustees  
 FROM: Chauncey McCarthy, Rico Town Manager  
 SUBJECT: February Board of Trustees Regular Meeting

**Rico Geothermal Coalition, Teal Stetson-Lee presenter**

Teal Stetson-Lee will be presenting on behalf of the Rico Geothermal Coalition

**Wildfire Adapted Partnership, Celeste Moore presenter (Pg. 19-27)**

Celeste Moore will be presenting on behalf of the Wildfire Adapted Partnership. Her PowerPoint is in the packet.

**Consideration of amended and restated right-of-way encroachment easement agreement, Raegan Ellease applicant (Pg. 28-51)**

Reagen Ellease, owner of Lots 39 and 40 of Block 12, holds a right-of-way encroachment easement agreement with the Town. This agreement was established due to the encroachment of 3 feet, 8 inches of the Assay Building into the west side of Soda Street right-of-way.

At the December Board of Trustees meeting Raegan Ellease approached the Town to propose construction of a second story on the Assay building. The proposed construction modifies the encroachment as defined under Section 3 (Limited Scope) of the recorded easement agreement. The easement limits encroachment to the existing footprint and historic height of the structure. Any changes to the encroachment area, including alterations to the footprint or height, require prior written approval from the Town. The Board directed staff and the Town attorney to draft an amended and restated easement agreement. Included in the packet is the right-of-way encroachment easement agreement with exhibit for the Board's consideration. (Pg. 28-36)

In December 2018, Reagen initially approached the Town about this issue and worked with staff to submit a partial road vacation application for a section of Soda Street. The proposed vacation would have transferred the encroached portion of Soda Street to Lots 39 and 40. This request was denied by the Board of Trustees (refer to minutes included in the packet).

Following the denial, Town staff and the Town attorney worked with Reagen to draft an easement agreement that would enable her to clear the property title and complete its purchase. The initial draft, presented in January 2019, was continued because Reagen was not comfortable with a revocable easement (refer to minutes included in the packet).

Over the next several months, Town staff and the attorney developed and adopted Ordinance 2029-02, which added Article X to the Rico Land Use Code. Article X outlines the process for issuing permits for both temporary and fixed encroachments on public property (Ordinance included in the packet).

In May 2020, the Board of Trustees approved Reagen's right-of-way encroachment easement agreement (refer to the Manager's memo, minutes, and recorded easement agreement included in the packet).

**Consideration of first reading of Ordinance 2025-01 an ordinance of the Town of Rico, Colorado approving the purchase of the Community Church property located at 110 and 116 East Mantz Avenue. (Pg. 52-73)**

Included in the packet is Ordinance 2025-01 approving the purchase of the community church property at 110 and 116 East Mantz. The ordinance includes the sales contract as an exhibit, detailing the terms of the agreement.. The agreed-upon sale price is \$425,000 and the purchase is conditioned upon the sale and donation of the RHS Engel House property.

**Rico Trail Alliance pedestrian bridge (Pg. 74-80)**

At the Board of Trustee's meeting last December, Rico Trails Alliance ("RTA") presented the design for the pedestrian bridge that will be built across the Dolores River in the Town's perpetual trail easement through the Lazy Rooster Ranch south of Town. As previously noted, once completed, the bridge will provide recreational access to the west side of the Dolores River on the Rio Grande Southern (RGS) River Trail that will start from a trailhead near the new Town shop and follow segments of the railroad grade to the Montelores bridge 4.5 miles south of Rico. RTA has provided additional information regarding high water flows and bridge clearance, which is included in the Board's packet. RTA representatives will be presenting this and taking any additional questions during the February meeting. Copies of the Town's trail easement through the Lazy Rooster Ranch property as well as the Memorandum of Understanding between the Town and RTA are available for review on the Town's website.

**Voluntary lead soils clean up ("VCUP") update**

The Town's website now includes a "Lead Soil Voluntary Cleanup" (VCUP) page with the VCUP application, legal documents, informational materials, FAQs, contact information, and a link to the VCUP GIS property database. With the GIS database now live, property access agreements can be mailed out to property owners.

The Request for Proposals (RFP) for Dust Suppression has been advertised, with bids due by March 14, 2025. This timeline allows the Board to review proposals and decide on a contractor at the March regular meeting.

**Rico water system and public works resolution (Pg. 81-82)**

At last month's meeting, the Board of Trustees requested that Resolution No. 2025-01 be included for review and discussion. This resolution focuses on prioritizing the Town of Rico's critical infrastructure needs, specifically addressing the water system, necessary repairs, funding initiatives, staffing within the Public Works Department, and ongoing road maintenance. Mayor Fallon has requested that all Board members come prepared to discuss the resolution and provide input on the current state of the water system, roads and the long term staffing needs of the Public Works Department.

The Town is currently facing challenges related to aging infrastructure, deferred maintenance, and limited funding. Ensuring a reliable water system is a top priority, as several components require immediate attention. Additionally, road maintenance has become an increasing concern, with the need to allocate resources strategically to maintain safe and accessible transportation routes. Staffing within the Public Works Department remains a key factor in executing these projects efficiently.

The discussion will focus on assessing the current condition of the Town's water system and identifying necessary infrastructure repairs. Board members will review immediate and long-term solutions to improve the Town water system, delivery reliability, and system efficiency. Funding initiatives will also be a critical component of this discussion, as securing state and federal grants, reallocating budgetary resources, and exploring local funding mechanisms will be necessary to support these projects.

Additionally, the Board will need to evaluate potential tax measures to provide sustainable funding for infrastructure improvements. Options such as a dedicated sales tax increase, property tax increase, bonds, or special assessments could be considered to ensure the Town has a stable revenue source to address its long-term infrastructure needs.

Road maintenance remains an ongoing concern, particularly as seasonal weather conditions take a toll on existing infrastructure. Identifying priority areas for immediate repairs while planning for long-term improvements will be necessary.

### **CML Conference**

Last call for those who would like to attend the CML conference June 24 – 25, 2025 in Breckenridge.

## RICO TOWN BOARD MEETING MINUTES

Date: January 30, 2025  
Call to Order 7:03PM

### Trustees Present:

Mayor Patrick Fallon  
Mayor Pro Tem Cristal Hibbard  
Trustee Benn Vernadakis  
Trustee Gerrish Willis (Zoom)  
Trustee Scott Poston  
Trustee Chris Condon

### Trustees Absent:

Trustee Joe Dillsworth

**Staff Present.** Chauncey McCarthy, Anna Wolf (Zoom),

### Approval of the Agenda

#### Motion

To approve the agenda.

**Moved by** Trustee Benn Vernadakis, seconded by Mayor Pro Tem Cristal Hibbard

**Vote.** A roll call vote was taken and the motion was approved, 6-0.

### Action Items:

Consideration of a letter of support for the Rico Fire Protection Districts provider grant application to purchase a quick response vehicle

Mayor Patrick Fallon gives summary.

Board has discussion.

#### Motion

Move to approve the letter of support for the Rico Fire Protection Districts provider grant application to purchase a quick response vehicle

**Moved by** Trustee Benn Vernadakis, seconded by Trustee Scott Poston.

**Vote.** A roll call vote was taken and the motion was approved, 6-0.

Consideration of the acquisition of the Rico Community Church with financial support from the Rico Historical Society

Mayor Patrick Fallon gives summary.

Board had discussion.

Town Manager Chauncey McCarthy gives financial summary for the Town Board regarding buying the property.

Public Comment: Gary Gass, Darrel Huber, Patrick Bailey, Joy Littleton, Jordan Bushouse

**Motion**

Move to approve the spending of up to \$125,000 towards the acquisition of the Rico Community Church based on the generous donation from the historic society. Leaving it to Chauncey's digression regarding the conditions that were discussed at the meeting, to bring any red flags to the Board's attention.

**Moved by** Mayor Patrick Fallon, seconded by Mayor Pro Tem Cristal Hibbard.

**Vote.** A roll call vote was taken and the motion was approved, 6-0.

Town Manager requests that Mayor Patrick Fallon, Trustee Benn Vernadakis do a walk through with the building with him with their building knowledge. Other Trustees would like to join the walk through.

**Motion**

Move to adjourn.

**Moved by** Trustee Benn Vernadakis, seconded by Trustee Scott Poston

**Vote.** A roll call vote was taken and the motion was approved, 6-0.

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Anna Wolf  
Rico Town Clerk

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Patrick Fallon  
Mayor

## RICO TOWN BOARD MEETING MINUTES

Date: January 15, 2025

Call to Order 7:01PM

**Trustees Present:**

Mayor Patrick Fallon  
 Mayor Pro Tem Cristal Hibbard  
 Trustee Joe Dillsworth  
 Trustee Benn Vernadakis  
 Trustee Gerrish Willis (Zoom)  
 Trustee Scott Poston  
 Trustee Chris Condon

**Trustees Absent:**

**Staff Present.** Chauncey McCarthy, Anna Wolf (Zoom),

**Approval of the Agenda**

**Motion**

To approve the agenda.

**Moved by** Trustee Benn Vernadakis, seconded by Mayor Pro Tem Cristal Hibbard

**Vote.** A roll call vote was taken and the motion was approved, 6-0.

Gerrish Willis did not vote.

**Approval of the Minutes**

**Motion**

To approve the minutes of December 18 with correction of clerical errors.

**Moved by**, Trustee Chris Condon, seconded by Trustee Benn Vernadakis.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

**Consent Agenda**

**Payment of the Bills**

**Motion**

To approve payment of the bills.

**Moved by** Trustee Benn Vernadakis, seconded by Trustee Scott Poston

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

**Public Comment:**

Skip Zeller ask a question about what can be done regarding to the lights in the county around the Town.

Teal Stetson Lee asked about a Geo Thermal update.

Patrick Fallon: commented that it was very hard to hear in the court room. Invites people present to move closer to the board if they need to.

**Action Items:**Consideration of quarter 4 financial statements

Mayor Patrick Fallon gives summary.

Town Manager gives summary of accounts.

Board has discussion.

Town Manager to provide a summary of how different funds can be spent at a future meeting.

**Motion**

Move to approve Quarter 4 financial review

**Moved by** Mayor Pro Tem Cristal Hibbard, seconded by Trustee Benn Vernadakis.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

Determination of location for United States Forest Service interpretive signs

Mayor Patrick Fallon gives summary.

Michelle of the USFS gives commentary.

Land owner Michael Contillo gives comment.

Public Comment: Skip Zeller

Board had discussion.

No motion was made. Direction was given to look into alternative locations such as the new Tow shop or the Van Winkle.

Consideration of becoming a concurring party to a Memorandum of Agreement between the USDA Forest Service, San Juan National Forest, and the Colorado State Historic Preservation Officer, pursuant to 36 CFR § 800.6, regarding adverse effects to site 5DL.478 from the Rico Trails (Rio Grande Southern Trail Connector) Project in Dolores County, Colorado

Mayor Patrick Fallon gives summary.

Board of Trustees has discussion.

Public Comment: Jim Baron, Skip Zeller

**Motion**

Move to approve as consulting party and a concurring memorandum of agreement for the proposed construction of 1.7 miles of new trail along the Rio Grande Sothern Railroad right of way south of the Town of Rico

**Moved by** Trustee Gerrish Willis, seconded by Mayor Patrick Fallon.

**Amended:** to include if the verbiage would to change to Town can reevaluate and have a discussion again.

**Vote.** A roll call vote was taken and the motion was approved, 7-0.

**Staff Report**Clerk's report:

Closing out the 2024 accounting and tax information.

Entering 2025 budget into our software.

STR quarterly lodging tax collection.

Dog licenses are available.

Manager's report

The ice Skating rink is in the works. Hoping to have it open as long as possible.

Town shop building is finished. Final grade to be finished in the spring.

Marshal George Smith who was shot in the line of duty in 1892 will be entered into the National Law Enforcement memorial.

CML is June 24-27. Decision is needed by February meeting.

Trustee Benn Vernadakis leave to attempt to a search and rescue call. 8:02PM

### **Discussion Items**

#### Park and recreation project update

Town Manager gives update of the project.

Update on Pavilion site. The previous company is no longer working on the project. New bid needs to be put out for a different company. The bids are much higher than the original bid due to the complexity of the site.

Direction was given by the Board for the Town Manager to put a bid out for the work to get the Pavilion up.

#### Rico area backcountry radio zones

Todd Gilliman gives Summary.

#### Voluntary lead soils clean up ("VCUP") update

Mayor Pat Fallon and Town Manager Chauncey gives update.

Board has discussion.

Public comment: Skip Zeller, Jim Baron.

Storm water system was discussed as well as spring 2025 Mag chloride.

#### Rico water system and public works

Mayor Pat Fallon and Town Manager Chauncey gives update.

Water system is a big priority.

The new Town shop needs to be outfitted.

Board has discussion.

Town manager to work on a resolution to address fixing the water system and Public Works department.

Town manager gives a detailed update of the water system and the needs that must be met.

#### CIRSA Board training

Dates were discussed. March 10<sup>th</sup> was agreed upon for the training at 6:00PM. A backup date of the 20<sup>th</sup>.

### **Motion**

Move to adjourn.

**Moved by** Mayor Pro Tem Cristal Hibbard, seconded by Trustee Chris Condon.

**Vote.** A roll call vote was taken and the motion was approved, 6-0.

Trustee Benn Vernadakis not present to vote.

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Anna Wolf  
Rico Town Clerk

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Patrick Fallon  
Mayor

NEW Town of Rico - General Fund  
**Check Register**  
For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
18348	2/11/25	Fraley Propane, LLC	10000	485.00
18349	2/11/25	Jon Kelly	10000	375.00
18350	2/11/25	J. P. Cooke Company	10000	74.51
18351	2/11/25	WM Corporate Services, I	10000	81.10
18352	2/11/25	Utility Notification Center	10000	333.52
18353	2/11/25	International Institute of M	10000	220.00
18354	2/11/25	Karp Neu Hanlon, PC	10000	4,825.50
18355	2/11/25	Region 9	10000	938.00
18356	2/11/25	CEBT	10000	8,878.80
18357	2/11/25	Kaplan Kirsch LLC	10000	6,997.11
18358	2/11/25	Jennifer Stark	10000	451.00
18359	2/11/25	Century Link	10000	53.01
18360	2/11/25	San Miguel Power Associ	10000	126.00
18361	2/11/25	Zircon Container Compan	10000	95.00
18362	2/11/25	Rico Telephone Company	10000	193.24
18363	2/11/25	Core & Main	10000	12.44
18364	2/11/25	Kuboske Construction LL	10000	147,444.69
18365	2/11/25	Karp Neu Hanlon, PC	10000	1,024.00
18366	2/13/25	Jonathan F. Burnett	10000	91.90
18367	2/13/25	Chauncey P. McCarthy	10000	2,727.64
18368	2/13/25	Stephen C. Roberts	10000	236.94
18369	2/13/25	Dennis E. Swank	10000	1,599.92
18370	2/13/25	Anna C. Wolf	10000	1,504.63
18371	2/13/25	Jerry A. Sam	10000	449.64
Total				<u>179,218.59</u>

Check Register

For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1791	2/11/25	San Miguel Power Associ	11000	30.00
Total				30.00

2018 NEW Town of Rico - Street Fund  
Check Register  
For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
2977	2/11/25	Slavens, Inc	10000	197.68
2978	2/11/25	WM Corporate Services, I	10000	166.67
2979	2/11/25	Rico Telephone Company	10000	50.00
2980	2/11/25	San Miguel Power Associ	10000	230.00
Total				644.35

Check Register

For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4698	2/11/25	Fraley Propane LLC	10000	200.00
4699	2/11/25	Rico Telephone Company	10000	115.00
4700	2/11/25	La Plata County PH Dept	10000	38.50
4701	2/11/25	AT&T Mobility	10000	111.37
4702	2/11/25	PVS DX, INC	10000	191.89
4703	2/11/25	San Miguel Power Associ	10000	514.00
Total				1,170.76



# PREPARING RICO FOR WILDFIRE



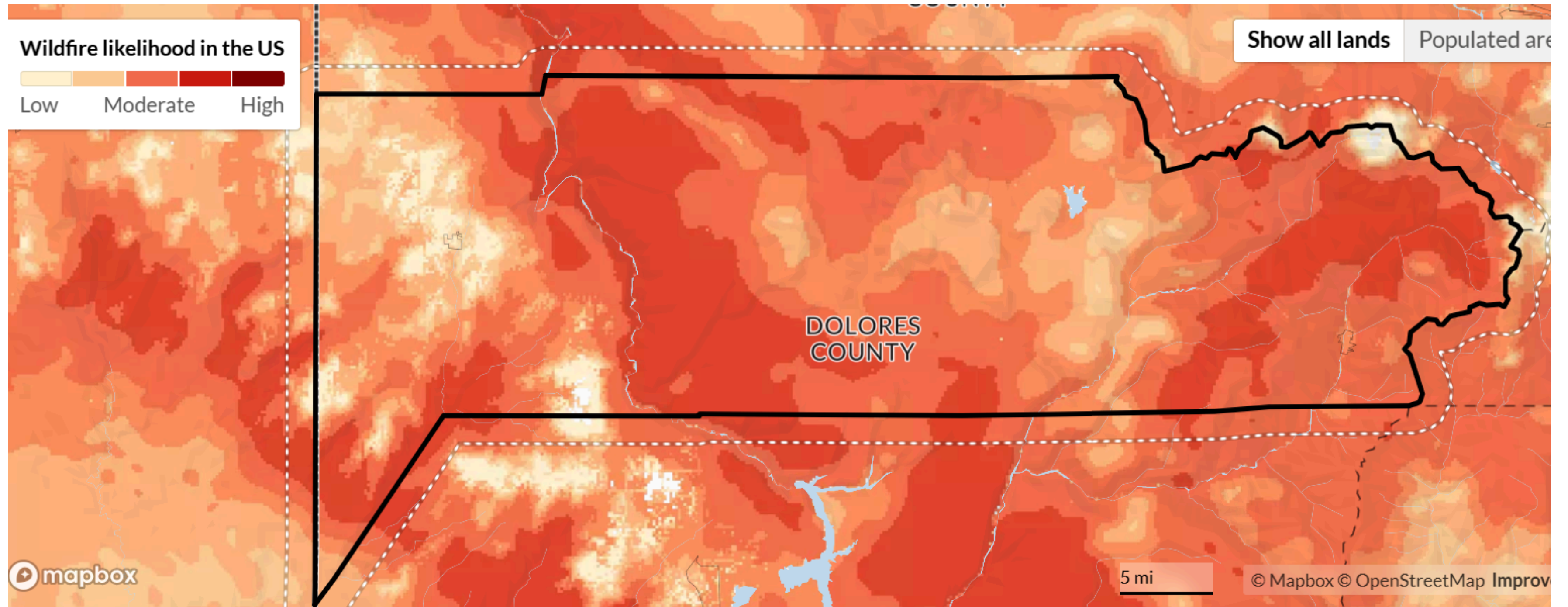
# ABOUT WILDFIRE ADAPTED PARTNERSHIP

OUR MISSION IS TO INSPIRE, EDUCATE, AND ENABLE  
INDIVIDUALS AND COMMUNITIES TO PROTECT LIVES  
AND PROPERTY FROM WILDFIRE

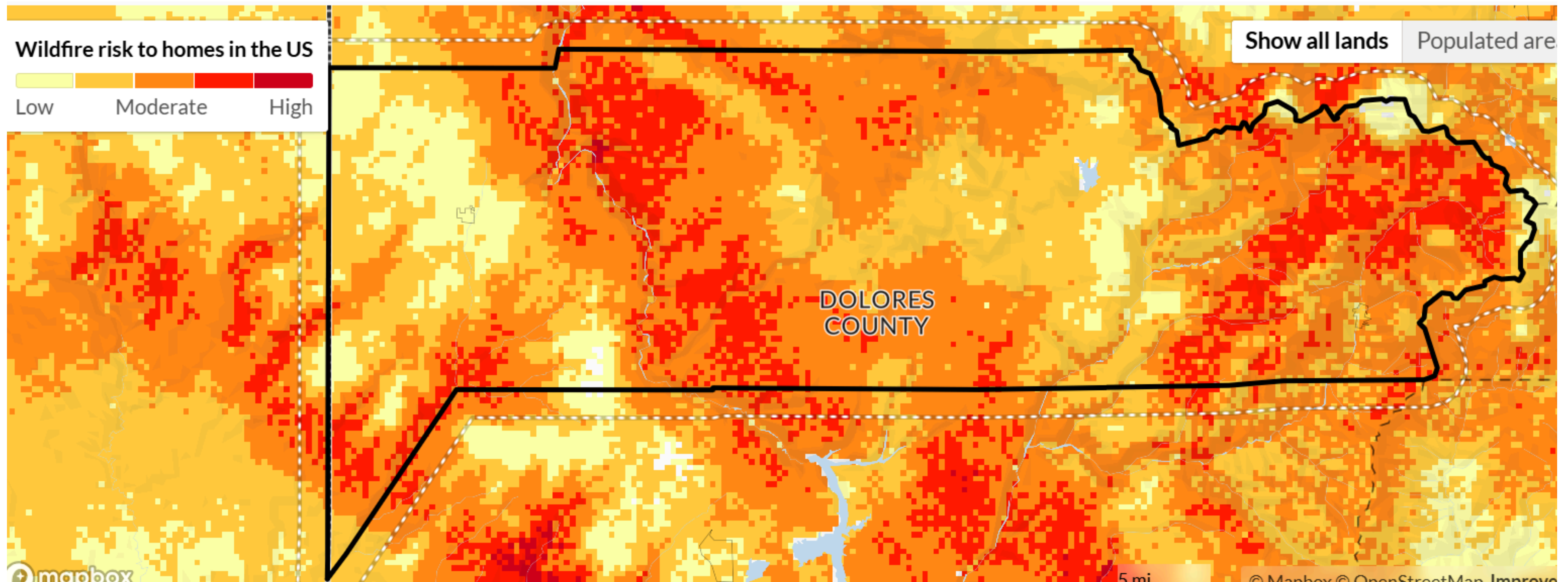
- Started as Firewise of SW CO in 2003 after the Missionary Ridge Fire destroyed 56 structures
- We now operate in 5 counties (Montezuma, Dolores, La Plata, Archuleta, San Juan)
- We partner with communities, fire departments, conservation districts, local collaboratives, and national programs.



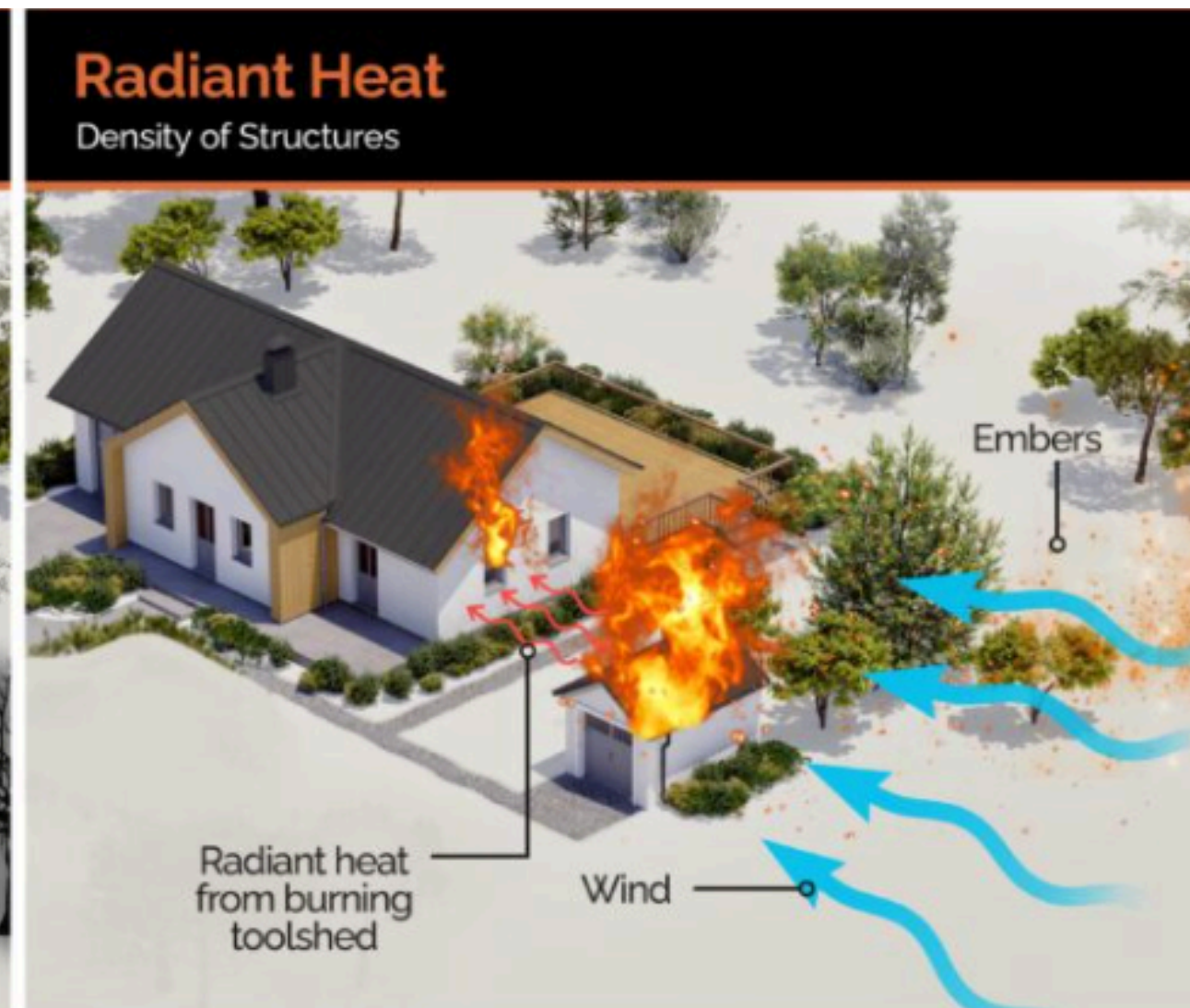
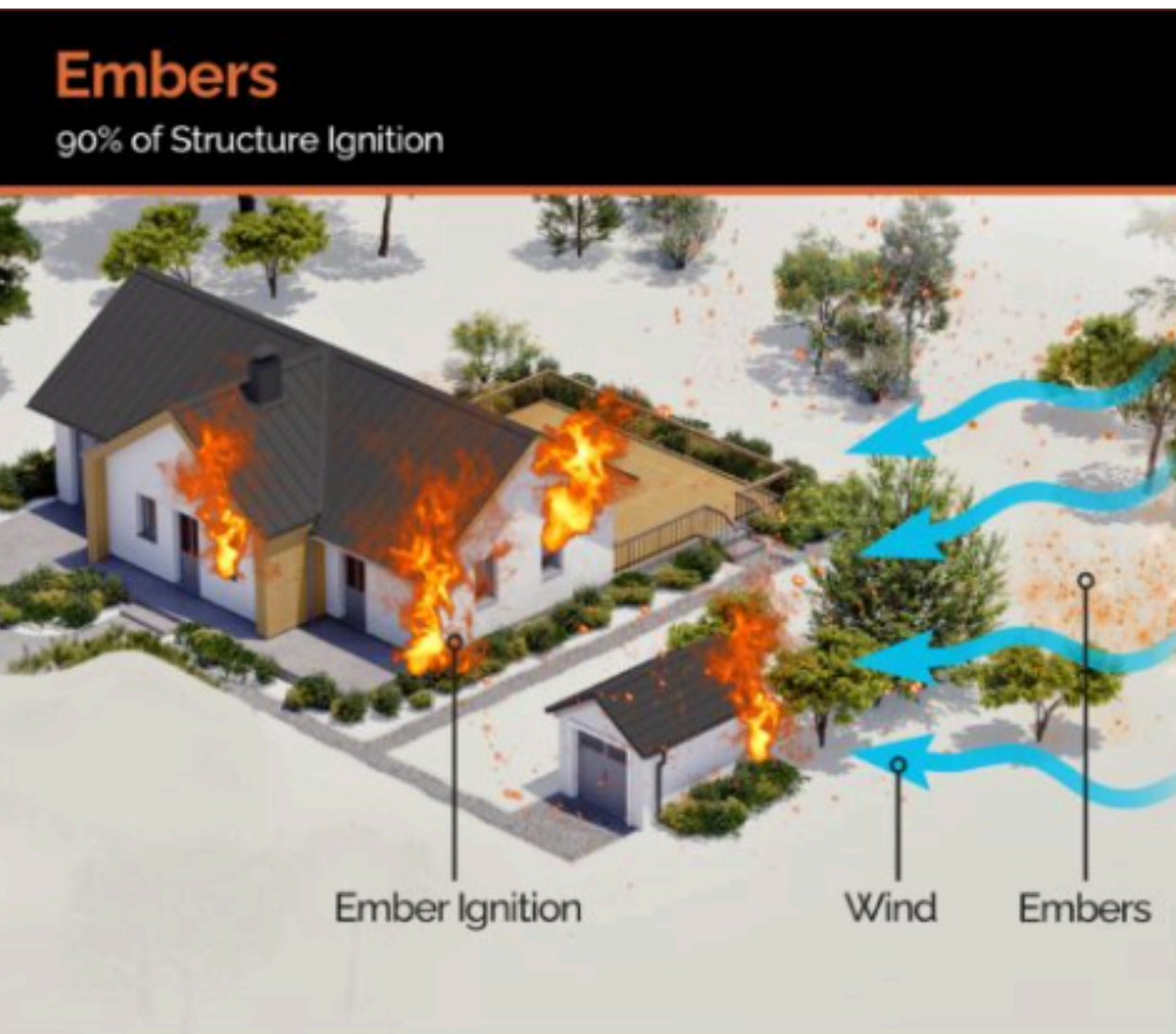
# DOLORES COUNTY HAS, ON AVERAGE, GREATER WILDFIRE LIKELIHOOD THAN 82% OF COUNTIES IN THE US.



# HOMES IN DOLORES COUNTY HAVE, ON AVERAGE, GREATER WILDFIRE RISK THAN 87% OF COUNTIES IN THE US.



# HOW STRUCTURES IGNITE



### Minimal exposure

Homes are not likely to be subjected to wildfire.

### Indirect exposure

Homes may be ignited by indirect sources such as embers and home-to-home ignition.

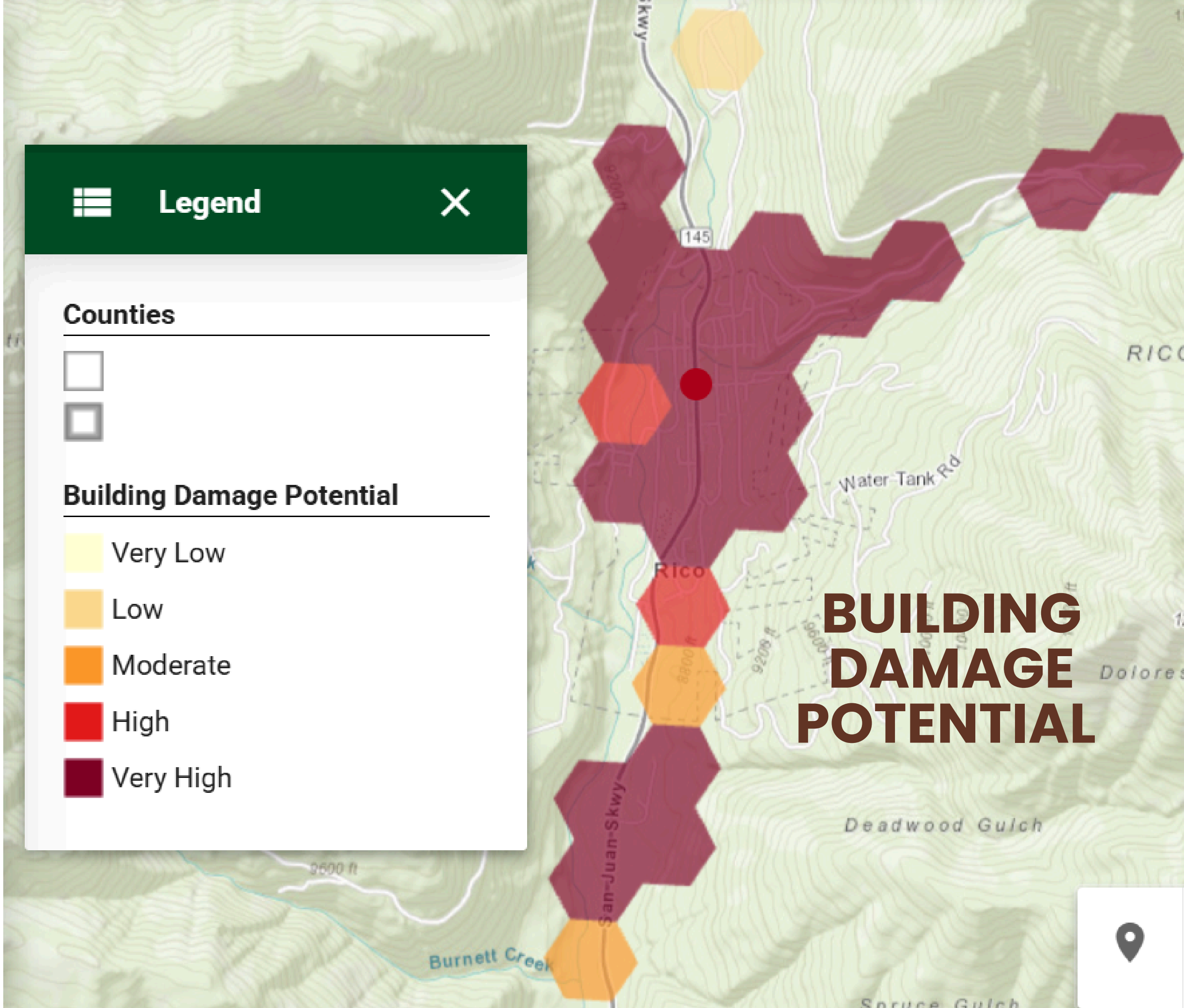
### Direct exposure

Homes may be ignited by adjacent flammable vegetation, as well as indirect sources.

### Wildfire transmission

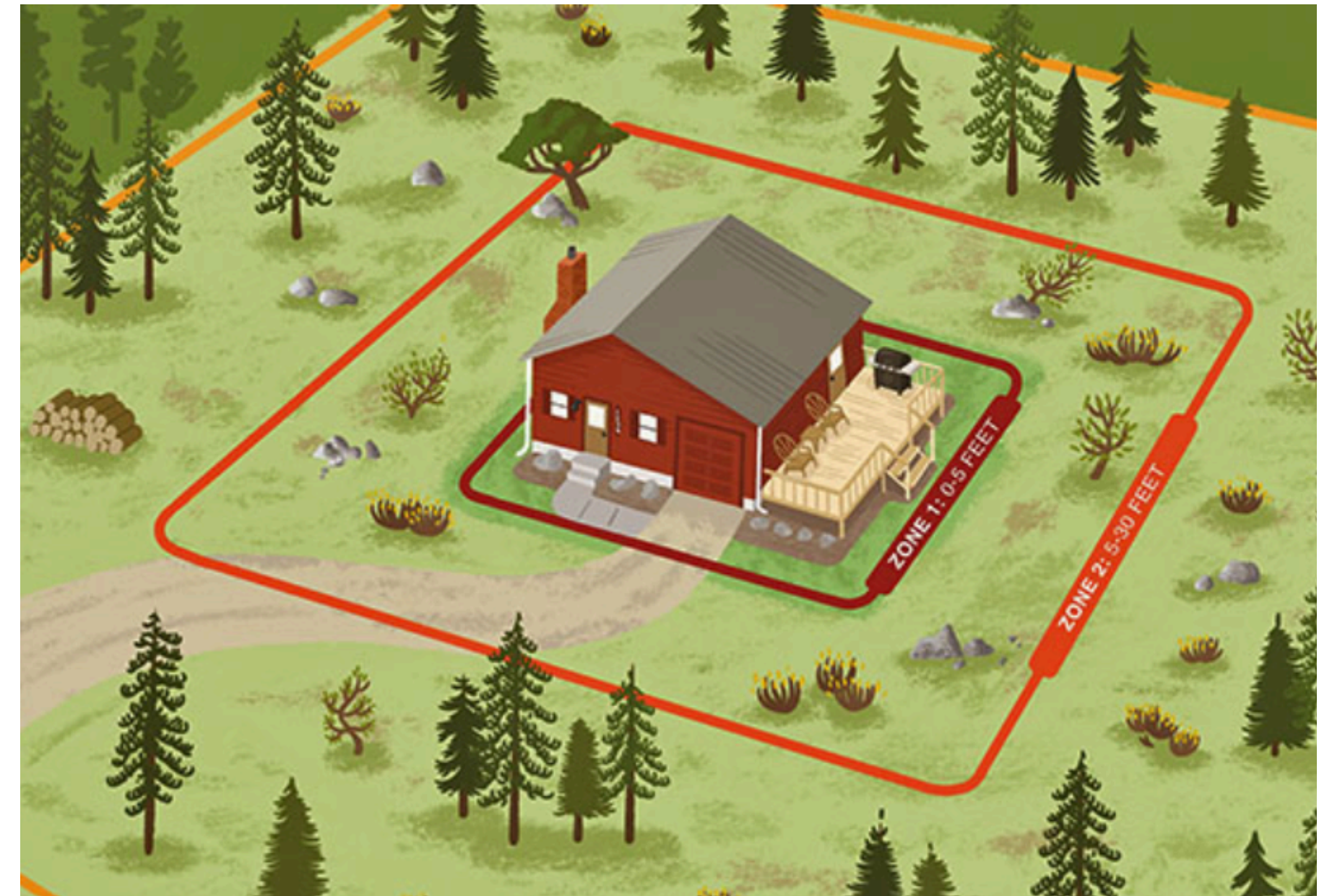
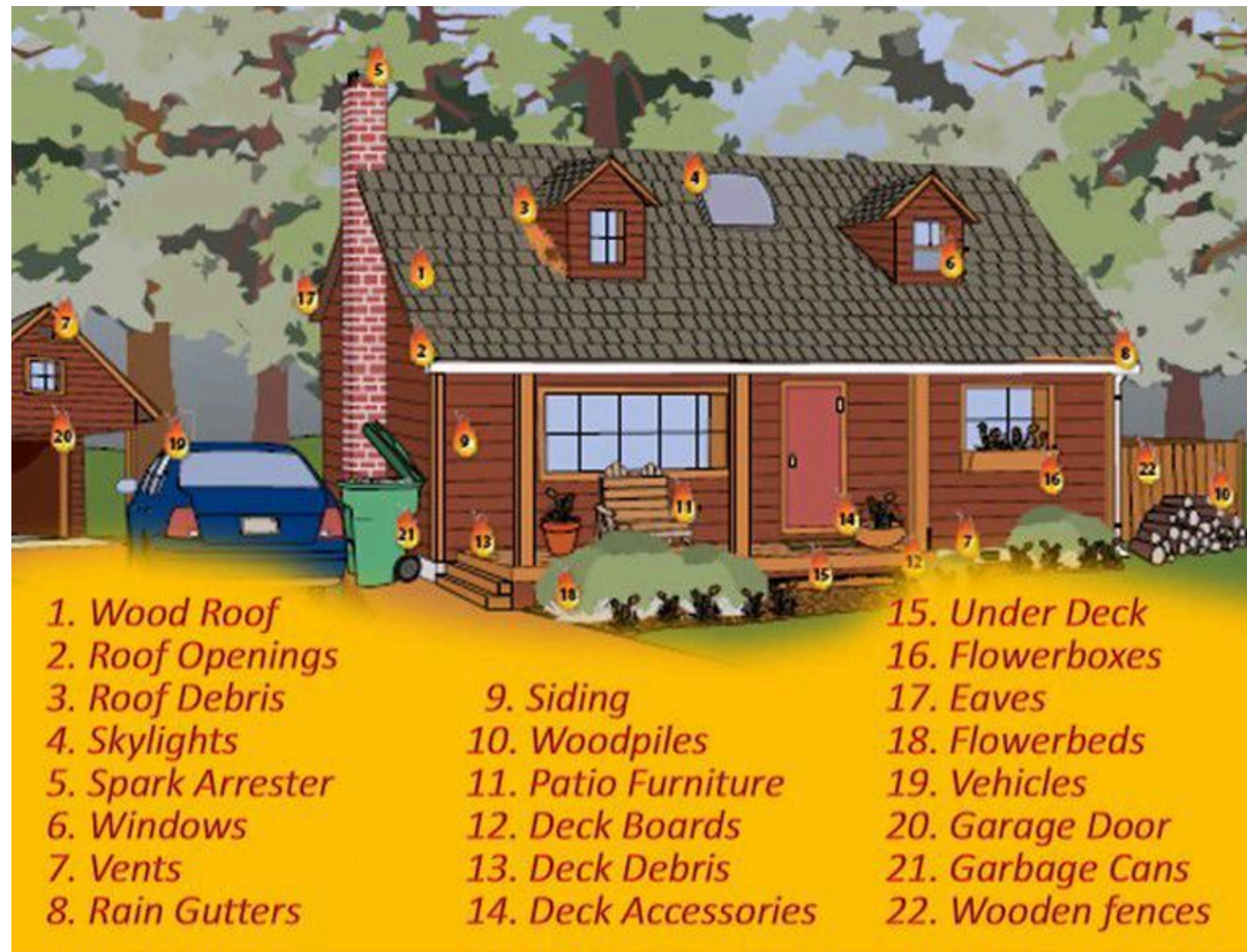
Area near homes where flammable vegetation may expose homes to wildfire.





# MITIGATION

## Creating Defensible Space with the Home Ignition Zones



Structure/Home Hardening





# CAL FIRE: Home Hardening Demonstration Burn w/ IBHS

00:00:00

Share

WILDFIRE  
PREPARED



Watch on  YouTube

23

**NOT PROTECTED**

**PROTECTED FROM EMBERS**

DEFENSIBLE SPACE AND FIRE  
RESISTANT BUILDING MATERIALS.

# FIREWISE RECOGNITION

- Firewise provides education, organization, and direction for wildfire mitigation actions
- Benefits of Firewise
- Steps for recognition
- Action examples
- No cost participation



# WAP PROGRAMS

- Free Wildfire Risk Site Assessments
- Community Wildfire Risk Assessment
- Firewise Support
- Chipper Rebate
- Neighborhood Ambassador Program
- Community Education & Outreach



# NEXT STEPS

- Coordinate a volunteer board/committee and select a resident leader for Firewise
- Complete a Community Assessment for the town
- Plan an Education & Outreach event to connect with residents





Celeste Moore, Montezuma & Dolores County Coordinator

[cmoore@wildfireadapted.org](mailto:cmoore@wildfireadapted.org) – (970) 422-0051

WAP Office

[info@wildfireadapted.org](mailto:info@wildfireadapted.org) – (970) 385-8909

Thank you for your time and consideration

## AMENDED AND RESTATED RIGHT-OF-WAY ENCROACHMENT EASEMENT AGREEMENT

This AMENDED AND RESTATED RIGHT-OF-WAY ENCROACHMENT AGREEMENT (the “Agreement”) is hereby made and entered into on \_\_\_\_\_, 2025 by and between the TOWN OF RICO, COLORADO, a Colorado home-rule municipal corporation, with an address of 2 Commercial Street, Rico, Colorado 81332 (the “Town”) and RAEGAN ELLEASE, whose address is P.O. Box 11, Rico, Colorado 81332 (“Grantee”). The Town and Grantee may be referred to in this Agreement individually as a “Party” or collectively as the “Parties”.

### RECITALS

WHEREAS, the Town owns the Soda Street public right-of-way (the “Right-of-Way”) as shown on ***Exhibit A***, which is attached and incorporated into this Agreement by this reference; and

WHEREAS, Grantee owns Lot 39 and Lot 40, Block 12, Town of Rico, Dolores County, Colorado (the “Property”) upon which the historic Assay Building of the Rio Grande Southern Railroad (“Assay Building”) is located; and

WHEREAS, the north side of the Assay Building encroaches onto the west part of the Right-of-Way by approximately 3 feet 8 inches (the “Encroachment Area”) as depicted on ***Exhibit A***; and

WHEREAS, the Town and Grantee entered into that Right-of-Way Encroachment Easement Agreement, dated May 28, 2020, and recorded in Dolores County on June 11, 2020 at Reception No. 169621 (the “2020 Agreement”), establishing an easement for encroachment of the Assay Building into the Encroachment Area and for the maintenance, repair, upgrade and use of the Assay Building; and

WHEREAS, the 2020 Agreement ¶ 3 provides for expansion of the permitted use and improvement or alteration of the Assay Building within the Encroachment Area upon the Town’s written consent and approval of the design, plans and specifications of same; and

WHEREAS, Grantee intends to improve the Assay Building by constructing a second story addition as depicted on ***Exhibit A*** (the “Expansion”); and

WHEREAS, the Town desires to approve the Expansion, and to amend and restate the 2020 Agreement as provided in this Agreement including, without limitation, to expand the permitted use and to confirm the horizontal and vertical boundaries as necessary to accommodate the Assay Building’s height upon completion of the Expansion.

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties amend and restate the 2020 Agreement as follows:

1. Incorporation of Recitals. The forgoing recitals are incorporated in their entirety by this reference.

2. Grant. The Town grants and conveys to Grantee a perpetual, nonexclusive easement, for the entire width, length and height of the portion of the Assay Building encroaching onto the Right-of-Way including, without limitation, the additional portions thereof after completion of the Expansion, to remain in the Encroachment Area and for the maintenance, repair, upgrade, and use of the Assay Building located within the Encroachment Area, all as depicted and described in ***Exhibit A*** (the “Easement”). Grantee may not use the Easement or the Encroachment Area for any other use or purpose. The Easement is subject to all existing utilities, conditions, covenants, and restrictions of record in or affecting the Encroachment Area.

3. Use. The Easement may be used for construction and installation of the Expansion, and for operation, maintenance, repair or replacement of any portion of the Assay Building located within the Encroachment Area as shown in ***Exhibit A***. No noxious or offensive activity shall be carried on upon any part of the Easement, nor shall anything be done or placed on or in any part of the Easement which is or may become a nuisance, disturbance, annoyance to others or violation of applicable law. The Easement is limited to use of the portion of the Assay Building, including the approved Expansion, that is located within the Encroachment Area and any improvements thereto, subject to the terms of this Agreement. Grantee shall not have the right to expand the Easement’s permitted uses or to alter the Encroachment Area without the Town’s prior written consent. Grantee shall not under any circumstance increase the size of the encroaching portion of the Assay Building in any way without the Town’s prior written consent. In particular, the total height of the Assay Building shall not exceed that shown on ***Exhibit A***.

4. Construction, Maintenance and Repair. Grantee shall be responsible for performance of all construction, maintenance, repair or any other work within the Encroachment Area, and shall be responsible for any resulting expense.

a. Grantee shall timely complete construction and installation of the Expansion together with any related improvements within the Encroachment Area in accordance with the designs, plans, and specifications approved by the Town.

b. Grantee shall keep the Assay Building within the Encroachment Area and all related improvements in a good, safe and orderly condition and repair in compliance with all standards applicable to the Assay Building.

c. When constructing, repairing, maintaining or replacing any improvements located within the Encroachment Area, Grantee shall take all reasonable steps to avoid any physical harm or damage to any other property. Following any maintenance, repair, or construction in any portion of the Encroachment Area or the related improvements, Grantee, at their expense, shall re-vegetate, regrade and restore the affected areas to the condition existing prior to such work.

5. Alterations. Neither party shall undertake any work on any portion of the Encroachment Area which would impair or jeopardize the soundness, safety or integrity of the Right-of-Way or the Assay Building or any related improvements or any utilities, without the other party's prior written consent.

6. Termination. This Easement shall automatically terminate upon destruction of 75% or more of the Assay Building as determined by the Town. Upon termination of the Easement, Grantee shall promptly remove all of the improvements, debris, materials, facilities, equipment and any other personal property from the Right-of-Way, at Grantee's sole expense. If Grantee fails to do so, the Town may perform such removal and restore the Right-of-Way. Grantee shall reimburse the Town its full cost and expense for any such removal or restoration. Upon termination of the Easement, the Town record a written notice of termination with the Dolores County, Colorado Clerk and Recorder. Notwithstanding the foregoing, Grantee may dismantle and reconstruct portions of the Assay Building to construct the Expansion as shown in **Exhibit A**, or perform maintenance or repairs subject to the terms of this Agreement, and such work will not trigger a termination of the Easement.

7. Insurance. Grantee shall obtain and maintain, at its sole cost and expense, commercial general liability insurance covering events that may occur within the Encroachment Area in such amounts as may be commercially reasonable but in any event not less than \$1 million per occurrence, \$2 million aggregate. Additionally, during times of construction of any improvements, repairs, or replacements, Grantee shall maintain workmen's compensation and builder's risk insurance in amounts reasonably satisfactory to the Town. The Town, its elected and appointed trustees, officers, agents and employees shall be named as additional insureds on such policies. Grantee's policies shall be primary insurance, and any insurance carried by the Town shall be excess and not contributory insurance. Grantee's policies shall contain a severability of interests provision. Grantee shall be solely responsible for any deductible losses under each of the policies required above. Grantee shall provide to the Town proof of insurance. The Town shall have the right to require Grantee to review and increase the limits of insurance coverage hereunder based on prevailing limits then carried by like or similar risks. The policies shall include a provision requiring a minimum of 30 days' notice to the Town of any change or cancellation.

8. Indemnification. Grantee shall exercise its privileges granted hereunder at its own risk, and Grantee shall indemnify, defend and hold harmless the Town, its trustees, officers, employees, agents or representatives from and against any and all liabilities, demands, claims, damages, actions and causes of action, costs, losses, and expenses, including reasonable attorneys' fees and costs that arise from or are in any way connected with the use of the Encroachment Area by Grantee, its agents, employees, customers, invitees, or guests. Grantee expressly assumes liability for any damage to any public improvements within the Right-of-Way or the Encroachment Area resulting from use of the Encroachment Area by Grantee, its agents, employees, customers, invitees or guests. This indemnification provision shall survive termination of this Agreement.

9. No Liens. Grantee shall keep the Encroachment Area free and clear of any mechanic's or materialmen's liens for labor performed or material furnished at the instance or request of Grantee or anyone claiming under Grantee.

10. Governmental Immunity Act. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq.

11. Release of Liability. It is expressly understood that the Town cannot be legally bound by the representations of any of its officers or agents or their designees except in accordance with the Town Code and Ordinances and the laws of the State of Colorado, and that Grantee, when dealing with the Town, acts at its own risk as to any representation or undertaking by the Town officers or agents or their designees which is subsequently held unlawful by a court of law.

12. Successors and Assigns/Covenants Run With Land. The terms and conditions of this Agreement bind and inure to the benefit of the Parties, and their respective successors, assigns and personal representatives. The Easement granted herein shall constitute a covenant running with the land and shall inure to the benefit of and be binding upon the Parties, their grantees, and respective successors and assigns, and any persons claiming by, through or under them.

13. Notice of Default, Right to Cure. If either party defaults on this Agreement and such default is not cured within 30 days after notice to defaulting party (or if such default is incapable of cure within such 30-day period and defaulting party commences to cure within the 30-day period and thereafter diligently and continuously takes action to effect a cure), the non-defaulting party shall have the following remedies: (a) to cure, if capable of cure, the breach by the defaulting party, with the right of reimbursement from the defaulting party for all reasonable costs and expenses incurred in connection with such cure, including reasonable legal fees; (b) an action for specific performance, or injunction; and (c) an action for actual damages. No breach of this Agreement shall entitle any party to consequential, incidental, economic, treble or punitive damages or to cancel, rescind, or otherwise terminate this Agreement, but such limitation shall not affect in any manner any other rights or remedies which such party may have by reason of any breach of this Agreement.

14. Attorneys' Fees. The prevailing party in any legal or administrative suits or proceedings that are brought for the purpose of enforcing any portion of this Agreement, shall recover from the non-prevailing party all costs associated therewith, including, but not limited to, reasonable attorney fees and costs.

15. No Waiver. The failure of either party to insist upon the strict performance of any provisions of this Agreement or to exercise any right or option available to it, or to serve any notice or to institute any action, shall not be a waiver or a relinquishment for the future of any such provision.

16. Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be (a) personally delivered, (b) deposited with a nationally recognized overnight delivery service that routinely issues receipts, or (c) given by registered or certified mail. Any such notice or other communication shall be effective when such notice is delivered to the addresses set forth above and received or refused by the addressee.

17. Amendments in Writing. No provision or term of this Agreement may be amended, modified, revoked, supplemented, waived, or otherwise changed except by a written instrument duly executed by the parties, and recorded with the Dolores County Clerk and Recorder.

18. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not be impaired thereby.

19. Recordation. Upon full execution of this Agreement and any amendments thereto, the same shall be recorded in the records of the Dolores County Clerk and Recorder

20. Colorado Law. This Agreement shall be governed by and construed in accordance with Colorado law.

21. Counterparts. This Agreement may be signed in counterparts and when signed by all of the parties, the executed counterparts shall constitute the agreement of the parties.

22. Entire Agreement. This Agreement, along with all referenced documents, shall constitute the entire agreement between the Parties with respect to the subject matter described herein

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first above written.

**TOWN OF RICO, COLORADO**, a home-rule municipal corporation

By: \_\_\_\_\_  
Patrick Fallon, Mayor

Attest: \_\_\_\_\_  
Anna Wolf, Town Clerk

Approved as to form: \_\_\_\_\_  
Wilton E. Anderson, Town Attorney

STATE OF COLORADO )

COUNTY OF DOLORES )

Subscribed to and acknowledged before on \_\_\_\_\_, 2025 by Patrick Fallon as Mayor of the Town of Rico, a home rule municipality and political subdivision of the State of Colorado.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

GRANTEE: **RAEGAN ELLEASE**

\_\_\_\_\_

\_\_\_\_\_  
Print Name

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

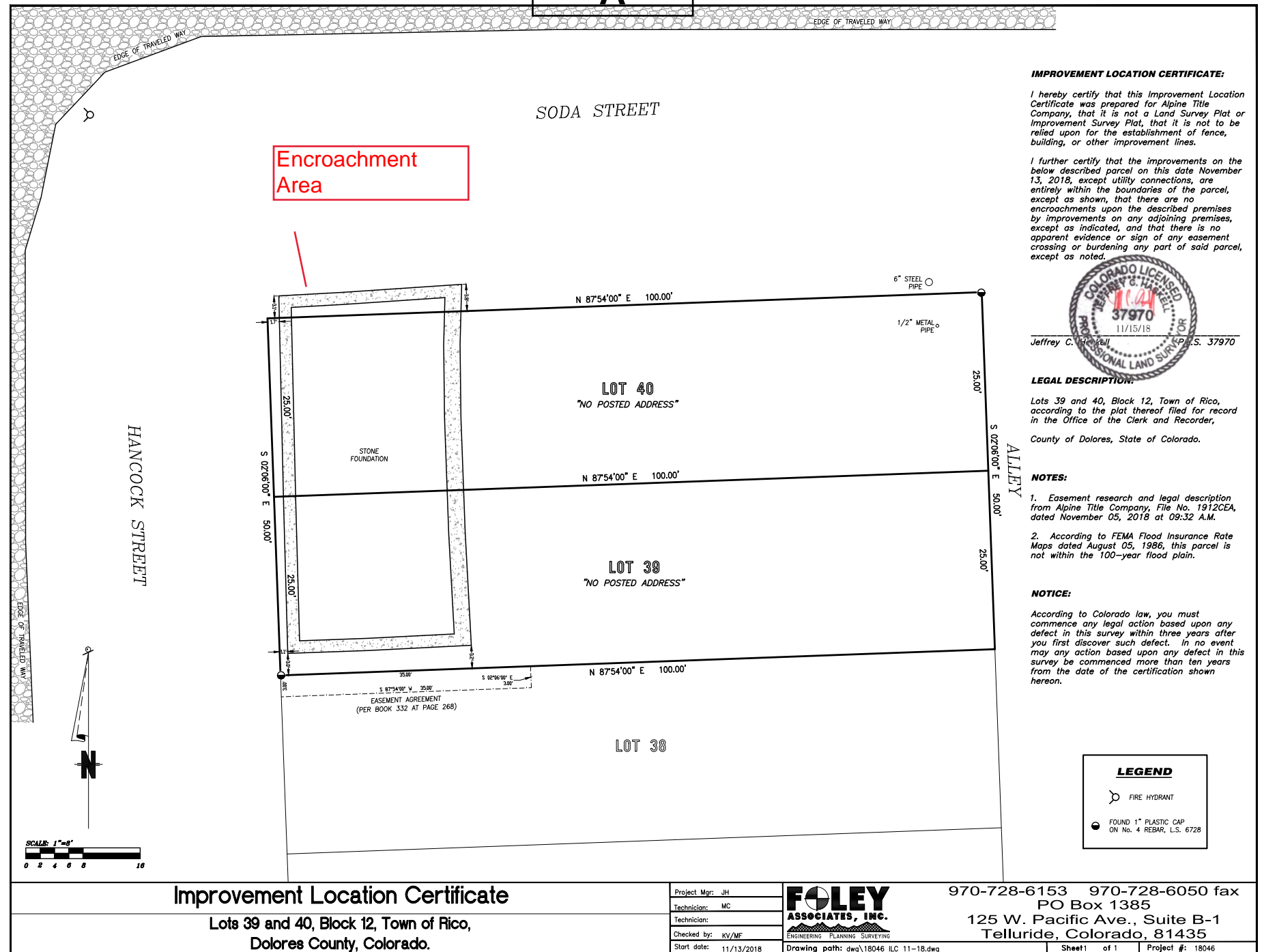
Subscribed to and acknowledged before me on \_\_\_\_\_, 2025 by Reagan Ellease.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

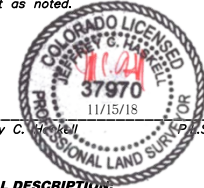
# EXHIBIT A



## IMPROVEMENT LOCATION CERTIFICATE:

I hereby certify that this Improvement Location Certificate was prepared for Alpine Title Company, that it is not a Land Survey Plat or Improvement Survey Plat, that it is not to be relied upon for the establishment of fence, building, or other improvement lines.

I further certify that the improvements on the below described parcel on this date November 13, 2018, except utility connections, are entirely within the boundaries of the parcel, except as shown, that there are no encroachments upon the described premises by improvements on any adjoining premises, except as indicated, and that there is no apparent evidence or sign of any easement crossing or burdening any part of said parcel, except as noted.



Jeffrey C. McKell, P.L.S. 37970

## LEGAL DESCRIPTION:

Lots 39 and 40, Block 12, Town of Rico, according to the plat thereof filed for record in the Office of the Clerk and Recorder,

County of Dolores, State of Colorado.

## NOTES:

1. Easement research and legal description from Alpine Title Company, File No. 1912CEA, dated November 05, 2018 at 09:32 A.M.
2. According to FEMA Flood Insurance Rate Maps dated August 05, 1986, this parcel is not within the 100-year flood plain.

## NOTICE:

According to Colorado law, you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.

## LEGEND

○ FIRE HYDRANT

● FOUND 1" PLASTIC CAP ON No. 4 REBAR, L.S. 6728

# Our approach.

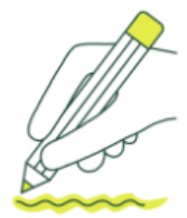
What makes our plans different.



**RESPONSIBLE**  
We apply sustainability principles to every blueprint through design, detailing, and materials.



**AFFORDABLE**  
We design for an affordable build, saving on framing costs by more than 40% with added room for insulation, which lowers heating & cooling costs.



**THOUGHTFUL**  
We design homes to be a template for experience, creating space to connect in.



**ENGINEERED**  
Each design is engineered by our structural team to ensure you are getting a ready-to-build, quality product. Need further structural assistance? We have your back.

THIS STUDY SET IS NOT FOR CONSTRUCTION. THIS STUDY SET DOES NOT INCLUDE A LICENSE TO BUILD.

It is illegal to recreate the plan in part or in full without purchasing the License to Build.  
Ready to build? Purchase your construction set and License to Build at [hereaboutshome.com](https://www.hereaboutshome.com)

hereabout

Space to connect in.  
[www.hereaboutshome.com](https://www.hereaboutshome.com)

Raegan Ellease - The Hangout V2

CLIENT NAME

CLIENT ADDRESS

exterior elevations

1/4" = 1'-0"

PLAN SET - NOT FOR CONSTRUCTION

© 2024 WELKOM LLC

004

## EXHIBIT A

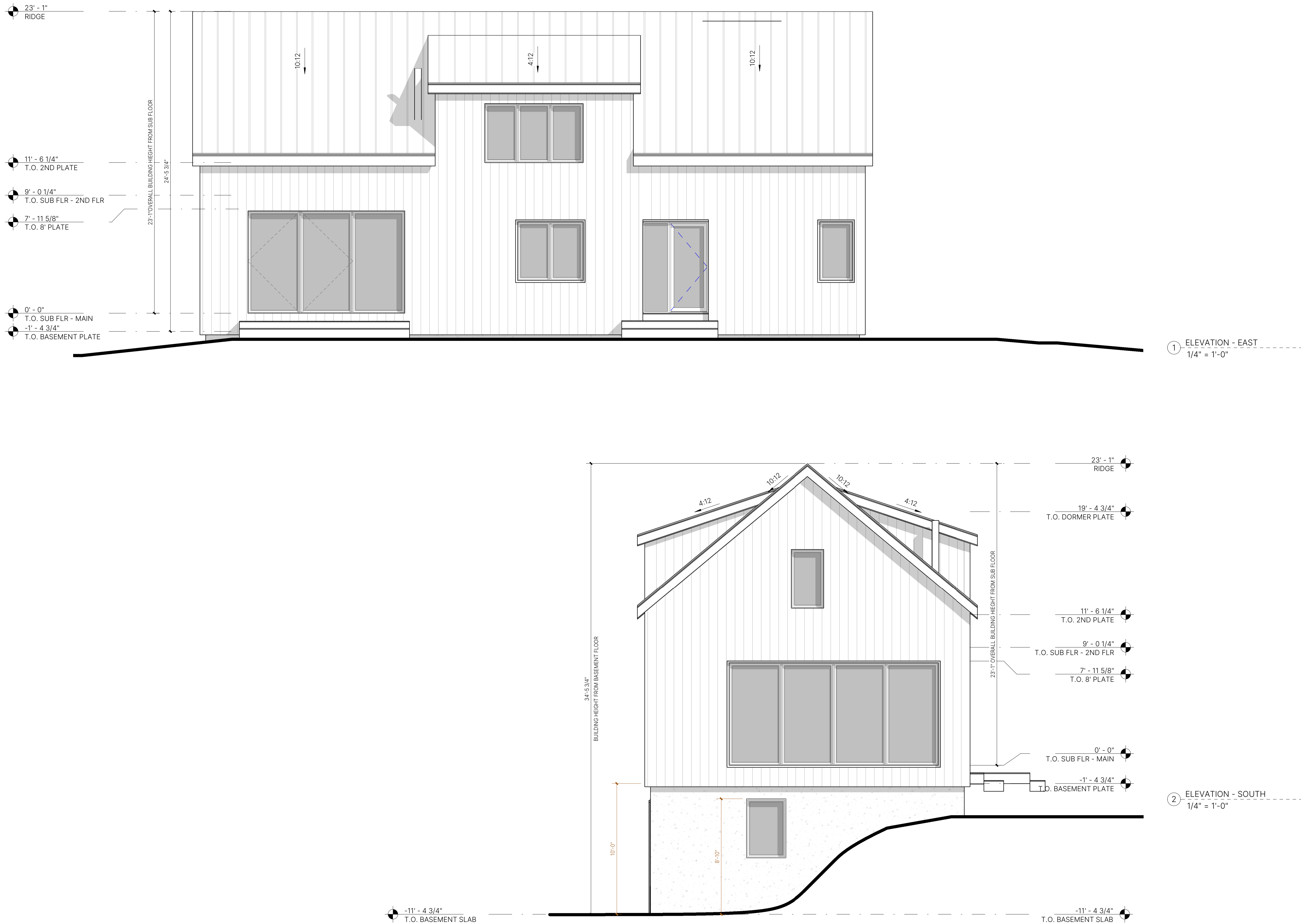
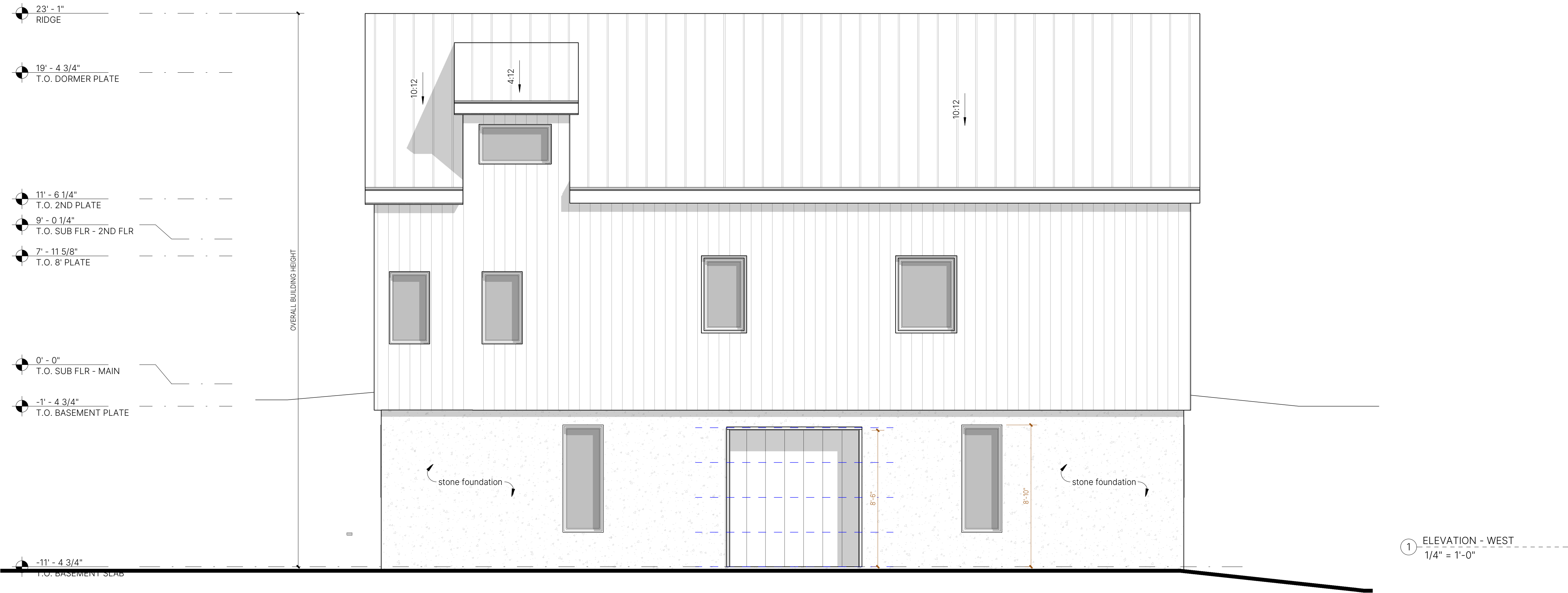


EXHIBIT  
A



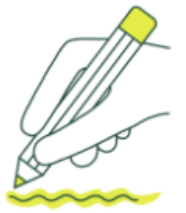
Our approach.  
What makes our plans different.



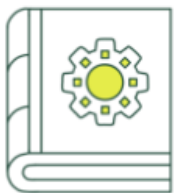
**RESPONSIBLE**  
We apply sustainability principles to every blueprint through design, detailing, and materials.



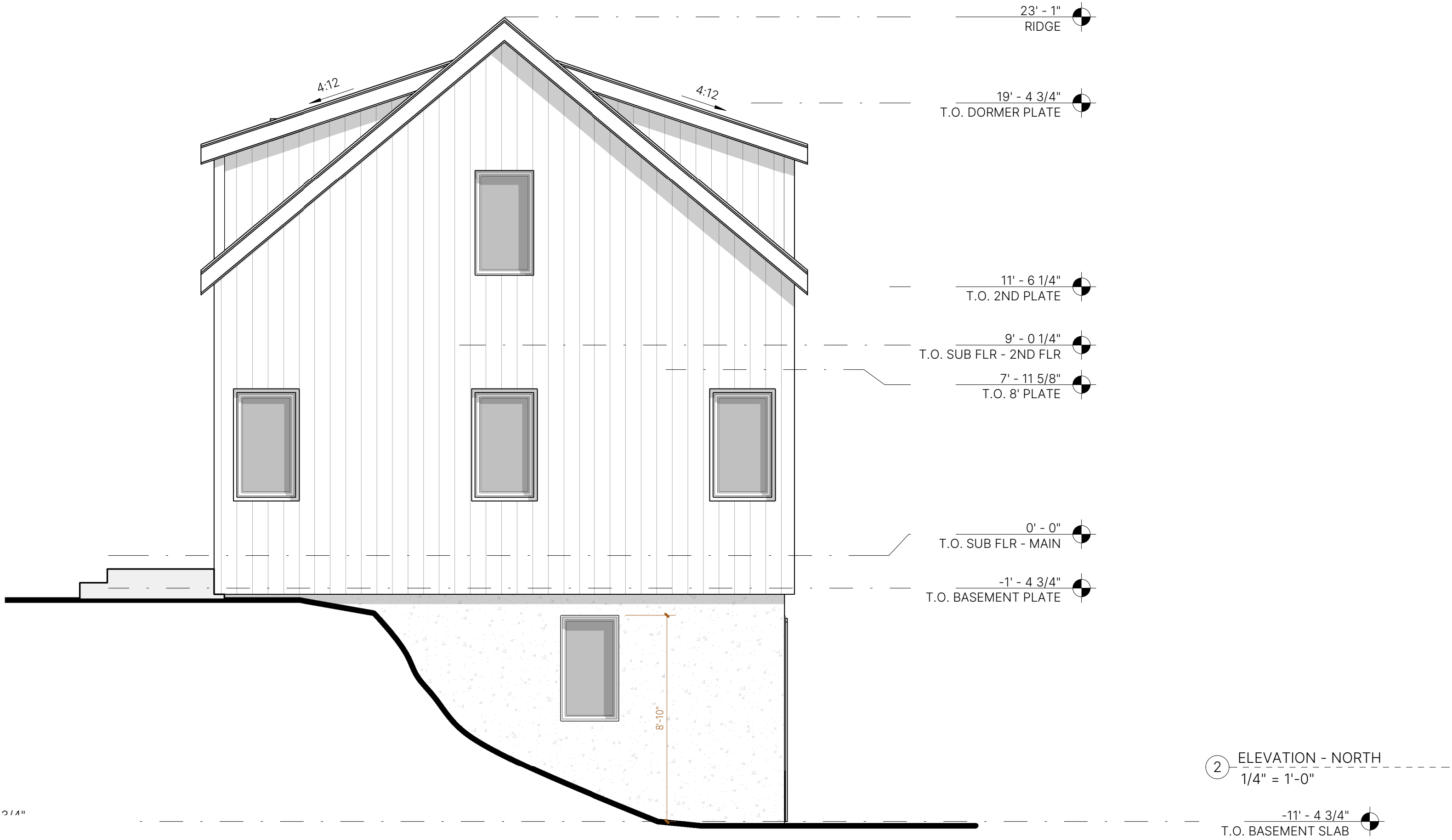
**AFFORDABLE**  
We design for an affordable build, saving on framing costs by more than 40% with added room for insulation, which lowers heating & cooling costs.



**THOUGHTFUL**  
We design homes to be a template for experience, creating space to connect in.



**ENGINEERED**  
Each design is engineered by our structural team to ensure you are getting a ready-to-build, quality product. Need further structural assistance? We have your back.



THIS STUDY SET IS NOT FOR CONSTRUCTION. THIS STUDY SET DOES NOT INCLUDE A LICENSE TO BUILD.

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hereabout

Space to connect in.  
[www.hereaboutshome.com](http://www.hereaboutshome.com)

Raegan Ellease - The Hangout V2

CLIENT NAME

CLIENT ADDRESS

exterior elevations

1/4" = 1'-0"

PLAN SET - NOT FOR CONSTRUCTION

© 2024 WELKOM LLC

005





told me that Ophir ran fiber up to a power pole in the middle of town that houses a wireless LTE radio. Areas of Ophir that are closer to the power pole will get better service but the whole town should have it. Ophir got a grant through DOLA for \$220,000 to fund the project. I asked Mr. Morgan if he would be interested in helping Rico develop a plan to upgrade our internet.

Apparently there is fiber from Cortez to Telluride along Highway 145. Direct Communications has access to it until somewhere around the Ophir Loop and Century Link owns it the rest of the way. Following our conversation M. Morgan contacted Direct Communications and later a man named Brigham Griffin, who is a marketing manager for Direct Communications called me. He was very helpful and I believe that I finally have some understanding of our broadband situation. The good news is that it does not appear that infrastructure is the reason Rico doesn't have good internet service. It sounds like the challenge will be to get Rico Telephone to provide the higher speeds at more affordable rates. I intend to keep talking to them

Transit Update. The Town received a grant from the Rico Center for a larger bus. The bus has been ordered and should be on its way. There is a San Miguel Authority for Regional Transit meeting on December 20<sup>th</sup> to approve an agreement with the Town of Rico regarding service. Hopefully we will be able to consider it and sign it at our next meeting and get the larger bus going shortly thereafter. I met with David Averill/SMART on December 7<sup>th</sup>, we discussed the proposed agreement with the SMART board that would provide service to Rico until the town can put inclusion in the SMART region to a vote in November Of 2019. Basic components of the agreement are as follows: The Town of Rico will deed the bus to SMART and provide \$10,000 toward operating costs. In return: the Rico Center Logo will be on the bus and included in other marketing material. SMART will subsidize approximately 80% of the cost of operating the route. SMART will provide operations, including the driver and maintenance of the bus. SMART will provide insurance for the bus. SMART will guarantee that the Rico Route will operate to and from Rico, Monday through Friday, but reserves the right to use the bus for other purposes. Mr. Averill will be at the next Board meeting to answer any questions.

#### **Action Items.**

**Soda Street Partial Roadway Vacation Request.** On behalf of the owners Thomas Lunifeld and Mina Hakami, the applicant Raegan Ellease is requesting a partial roadway vacation of Soda Street at the corner of Soda and Hancock. The old assay office encroaches on Soda Street for a distance of 3.8 feet at the eastern end and 3.1 feet at the western end of the building. Ms. Ellease would like to buy the parcel and restore the old building. However she is unwilling to put money into the building if she does not own it in its entirety. Town Manager Kari Distefano says she reviewed the roadway vacation application according to the following checklist and the application is complete. Ms. Distefano mentioned the following standards in the Land Use Code, which should apply when the Rico Planning Commission is evaluating a road vacation application. At the PC meeting the Commissions recommends approval with some conditions. Greg Anderson, one of the neighbors called and indicated his support for this vacation. Mr. Anderson would like to see the building preserved. One possibility would be to offer approval contingent on the restoration of the building. Upon discussion minor subdivision application was mentioned and other ideas were shared. The Board were not opposed to an easement agreement. Ms. Ellease would like to think some more about it and was left at that.

2<sup>nd</sup> Reading of an Ordinance to Adopt the Rico Town Budget for 2019. Based on the discussion last month regarding the Rico Center, Town Manager Kari Distefano submitted a table summarizing grants and their associated projects to the Board. A copy of the updated budget was also submitted. Both sales and property tax revenues look better than they did at the end of August but still expect a shortfall. With no further discussion Nicole Pieterse made a motion to

Approval of an Easement Agreement with the Owner of the Assay Office. Following the discussion last month about the old Assay office encroachment on to Soda Street and the Trustees' denial of a request for a partial roadway vacation, staff talked to the Town Attorney and she drafted a right-of-way encroachment agreement as a strategy to allow Ms. Ellease to clear the title and restore the old building. The approval of an easement agreement with the owner of the assay office was tabled to next months' meeting. Comment was made to create a standardized form for all use.

Adoption of the 2019 Work Plan. The staff is requesting that the Board of Trustees approve the 2019 Work Plan as discussed and revised at the January 13<sup>th</sup> retreat. Zach McManus made a motion to approve the 2019 Work Plan. Seconded by Nicole Pieterse. The motion passed unanimously.

Town Manager Kari Distefano wants to attend the CML Conference this year.

#### **Discussion Items.**

Amending the Business License Ordinance to Include Providers of Services. Last month the town had a discussion about business licenses and which businesses were required to have them. Currently only retail, lodging and food and beverage providers are required to have business licenses. Companies that provide services such as plumbing, excavation and surveying are not. It is my understanding, from a conversation with former Mayor Gregg Anderson this was a conscious decision on the part of the Trustee. They determined that issuing licenses for these types of businesses would require additional administrative work and enforcement. They felt that it would also discourage small businesses. If the Town would revisit this issue, it would require an Ordinance. Does the Board want to do this?

Combining Enterprise Funds. Mayor Zach McManus asked that the town explore the idea of combining the sewer and water funds into one fund to allow more flexibility. Both funds are Enterprise Fund, which means "Under TABOR, an Enterprise is defined as: (a) a government-owned (b) business (c) authorized to issue its own revenue bonds, and (d) receiving under 10% of annual revenue in grants from all Colorado state and local governments combined." The Town Attorney thinks that this may be possible but she was uncertain as to how to go about it. One potential advantage would be that the town should construct a central system, the paperwork with respect to billing and allocating employee costs would be simpler. There may be a possibility that general costs could also be combined but not sure that would be an advantage. In terms of budgeting, they would need to be accounted for separately anyway so that we could accurately track the cost of running each system.

Requirement to Clear the Title of the Johnson Property. Town Manager Kari Distefano said there is a contract on the Johnson property at 134 S. Glasgow. This is the property that has the big hole. The woman that wants to buy it would like to build a coffee shop with a living space included. Ms. Distefano believes that it would be in the best interest of the Town to have this occur. The broker who is dealing with the transaction does not want to see her buy the property with the cloud on the title represented by the letter that the Town Attorney wrote to the existing owners regarding the excavation. As a Board, town staff would like your opinion on how to deal with this. Ms. Distefano believes that the town would like something to be built on the lot but the potential owner may not be able to apply for a building permit or otherwise stabilize the by May. A copy of the Attorney's letter was submitted. One option would be to extend the May deadline to a date agreed upon by the potential owner.

TOWN OF RICO  
ORDINANCE NO. 2019-02

AN ORDINANCE OF THE BOARD OF TRUSTEES FOR THE TOWN OF RICO, COLORADO ADDING A NEW ARTICLE X TO THE RICO LAND USE CODE CONCERNING PUBLIC PROPERTY AND ESTABLISHING REGULATIONS CONCERNING FIXED AND TEMPORARY ENCROACHMENT, INCLUDING WORK THEREON, LOCATED ON PUBLIC PROPERTY.

WHEREAS, the Board of Trustees of the Town of Rico (Board) is authorized under Sections 1.2 and 2.5 of the Town of Rico Home Rule Charter and C.R.S. § 31-15-103, as may be amended from time to time, to adopt regulations as are necessary to protect the health, welfare, and safety of the public; and

WHEREAS, the Board desires to establish regulations concerning encroachments on public property.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO, ORDAINS:

**SECTION 1:** That the Municipal Code of the Town of Rico, Colorado, is hereby amended by adding new Article as follows:

ARTICLE X  
PUBLIC PROPERTY

1000 ENCROACHMENTS PROHIBITED

No encroachment, construction, excavation in, work in, or obstruction shall be made or placed upon any street, alley, sidewalk, curb, gutter, walk, or other public property, place, or way within the Town, unless a permit is approved by the Town as provided for in this Article.

1001 DEFINITIONS

1001.1 Fixed Encroachment: means any encroachment upon any public way that cannot be moved by a person without the assistance of tools, machinery and/or equipment.

1001.2 Temporary Encroachment: means any encroachment upon any public way that can be easily moved, changed, or removed by a person without the assistance of tools, machinery and/or equipment.

1001.3 Public Right-Of-Way, Right-Of-Way or Public Way: means any public street, way, place, alley, sidewalk, utility, easement, or any public property owned or controlled by the Town.

1001.4 Work: means any labor performed on, or any use or storage of equipment or materials, including but not limited to, construction of streets and all related appurtenances, fixtures, improvements, sidewalks, driveway openings, bus shelters, bus loading pads, street lights, and traffic signal devices. It shall also mean construction, maintenance, and repair of all underground structures such as pipes, conduit, ducts, tunnels, manholes, vaults, buried cable, wire, or any other similar structure located below surface, and installation of overhead poles and wires or conductors, used for any purpose.

## 1002 PERMIT PROCESS

Upon an application to the Town, a permit may issue with terms and conditions as necessary and appropriate to implement this Article in the Town's sole discretion to protect Town property, and to protect the public health, safety and welfare, by including provisions in the permit process as are necessary, including but not limited to, insurance, performance bond, indemnification, and a hold harmless and damage release for the Town.

## 1003 TEMPORARY ENCROACHMENT PERMIT APPLICATION

Any temporary encroachments on any public way, including but not limited to, barricades, construction debris, seasonal benches, seasonal flower pots, construction-related dumpsters, outdoor display of merchandise, and seasonal tables and chairs, located in the public right-of-way shall be governed by this Article and may be approved by the town manager, upon submission of a written application on the approved form provided by the Town, payment of all fees prescribed under this Article, and a permit may be granted for a specified time by the Town.

## 1004 FIXED ENCROACHMENT PERMIT APPLICATION

Any fixed encroachments on any public way or work to be performed on any fixed encroachment shall be governed by this Article and approved by the Town Board of Trustees, upon submission of a written application on a form provided by the Town and payment of all fees prescribed under this Article. The Town may withhold issuance of the permit until all costs are paid. The encroachment or work associated with the encroachment may not begin until the permit has been issued by the Town.

## 1005 WORK ENCROACHMENT PERMIT APPLICATION

An applicant for a permit allowing work in the public right-of-way shall apply for a temporary easement permit, even if a fixed encroachment permit has issued, under this Article as follows:

1005.1 Submit a written application furnished by the Town, which will include information necessary or convenient for the administration and enforcement of this Article, including statement that the applicant or its contractor is not delinquent in payments due to the Town on prior work.

1005.2 Attach copies of all permits or licenses (including required insurance, deposits, bonds, and warranties) required to do the proposed work, and to work in the public rights-of-way, if licenses or permits are required under the laws of the United States, the State of Colorado, or other ordinances or regulations of the Town.

1005.3 Provide a satisfactory plan of work showing:

1005.3.1 Protection of the subject property and adjacent properties when the Town determines such protection is necessary;

1005.3.2 Protection of trees, plants, landscaping and the restoration of turf when the Town determines that damage may occur to any plant life;

1005.3.3 The proposed construction, excavation; and

1005.3.4 A satisfactory traffic control and erosion protection plan for the proposed construction, excavation, or work.

1005.4 Include statement that all orders issued by the Town to the applicant requiring the applicant to correct deficiencies under previous permits issued under this section have been made.

1005.5 Pay the fees prescribed by this Article.

1005.6 List of anticipated subcontractors.

1005.7 All permits for construction, excavation or work may be granted only for a specific period of time to complete the work. The applicant is required to renew the permit prior to the expiration of the permit.

## 1006 REVOCATION

Any permit issued under this Article may be revoked by the Town after notice to the permittee for:

1006.1 Violation of any condition of the permit or of any provision of this Article.

1006.2 Existence of any condition or performance of any act which the Town determines does constitute or cause a condition endangering life or damage to property.

1006.3 Fixed encroachment deterioration, demolition, or if the encroachment ceases to exist or if a material change in condition occurs.

1006.4 Notice of revocation of an encroachment permit shall be sent by the Town to the permittee at the address provided in the application or any renewal. Revocation of the permit shall be effective 5 days after the date of the notice.

1006.5 Any revocation of any permit may be appealed by the permittee to the Town Manager by filing a written notice of appeal within 10 days of the date of the notice.

## 1007 POLICE POWERS

The permittee's rights under this Article are subject to the police powers of the Town, which include the power to adopt and enforce ordinances, including amendments to this section, necessary to the safety, health, and welfare of the public. The permittee shall comply with all applicable laws and ordinances enacted, or hereafter enacted, by the Town or any other legally constituted government unit having lawful jurisdiction over the subject matter hereof. The Town reserves the right to exercise its police powers, notwithstanding anything in this Article, any permit issued hereunder, any franchise, or any other permit to the contrary. Any conflict between the provisions of this Article, any franchise or any permit and any other present or future lawful exercise of the Town's police powers shall be resolved in favor of the Town.

## 1008 PENALTIES, ADMINISTRATION AND ENFORCEMENT

It shall be unlawful to violate any of the provisions of this Article, or of a permit issued hereunder. In addition to any general penalties applicable under Rico Land Use Code 740, continuing violations of this Article or of any permit issued pursuant hereto are hereby declared to be a nuisance, which may be abated in any lawful manner. It shall be unlawful to maintain an encroachment once the encroachment permit has been revoked by the Town pursuant to this Article. Failure to remove an encroachment is declared to be a nuisance that may be abated by the Town in any lawful manner. The Town may maintain an action in a court of competent jurisdiction to enjoin any violation of this Article, or of any permit issued pursuant hereto. If the Town brings any action brought to abate a nuisance or to enjoin any violation of this Article in any court of competent jurisdiction and the Town is the prevailing party, the defendant in such a nuisance or injunction proceeding shall be responsible for the Town's attorney fees and costs.

### SECTION 2: EFFECTIVE DATE

The provisions of this Ordinance shall become effective immediately upon final passage as defined in Rico Home Rule Charter, Section 3.5.

### SECTION 3: SAVINGS CLAUSE

If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

**INTRODUCED, READ, APPROVED AS INTRODUCED, AND ORDERED PUBLISHED** on first reading by the Board of Trustees for the Town of Rico this 20th day of March, 2019.

**READ, APPROVED AND ADOPTED BY FINAL READING** by the Board of Trustees for the Town of Rico this 17 day of <sup>May</sup> April, 2019

TOWN OF RICO, COLORADO

  
Zachary McManus, Mayor

5/17/19  
Date

Attest:

  
Linda Yellowman, Town Clerk

5/17/2019  
Date

i. That the applicant and eventual owner(s) of Lot D in no way restrict public access to the water tank road and any existing trails in the area, which shall be depicted by the surveyor on the replat and that a plat note to that effect be included on the replat.

j. That the structure constructed on Lot D be equipped with a sprinkler system.

The applicant has submitted a replat that shows legal access to both lots C and D using a driveway extending east from the end of Mantz. I also have a copy of a grading plan that shows that physical access is possible but I have some questions that will hopefully be answered prior to the meeting. The plat note to which item i refers is not on the replat but I have contacted the applicants and it should be on the replat prior to the meeting. The suggested motion is to approve the replat, approve the replat based on conditions or deny the replat. Should the replat be approved, the applicants will have to submit a mylar to be signed by the Board of Trustees prior to the replat being recorded.

### *3. Consideration of an encroachment easement agreement with Raegan Ellease, Lot 39 and 40, Block 12, Town of Rico*

This is an issue that has been outstanding for a long time. Raegan Ellease acquired the parcel that includes the historic assay office in January of 2019. Unfortunately, the assay office was built at a time when the use of surveyors to locate lot lines was not a common practice and the assay office encroaches into Soda Street. Ms. Ellease would like to do work on the building to ensure that it maintains its historic value but understandably she did not want to put money into a structure that was partially on someone else's property. Because the goal of both the Town and Ms. Ellease is to maintain the historic value of the assay office, eventually we were able to produce an agreement to which both parties can hopefully consent. There is a copy of the agreement included in this packet. The suggested motion is to approve the agreement or deny the agreement.

### *4. Consideration of a Subdivision Improvement Agreement with Gulch Lode LLC, Lot 9 Van Winkle Subdivision*

Gerrish Willis would like to build a house on Lot 9 of the Van Winkle Subdivision. Lot 9 is not currently served by the Town water system. According to Plat Note 8 on the Van Winkle Subdivision recorded in the office of the Dolores County Clerk and Recorder on November 12, 2008:

The Lot 9 owner shall not be permitted to construct any dwelling unit on Lot 9 unless and until the owner complies with the Town's subdivision and platting requirements, including the submission of engineered drawings regarding the extension of utilities,

fire truck turn around area on the water tank road between the end of Garfield and the Lot D driveway, H. the applicant install a fire hydrant at the north east corner of the Mantz/Garfield intersection, which would be included in a subdivision improvement agreement, I. the applicant and eventual owner(s) of Lot D in no way restrict public access to the water tank road and any existing trails in the area, which shall be depicted by the surveyor on the re-plat and that a plat note to that effect be included on the re-plat, J. the structure constructed on Lot D be equipped with a sprinkler system.

The applicant has submitted a re-plat that shows legal access to both Lots C and D using a driveway extending east from the end of Mantz.

Nicole Pieterse made a motion to the re-plat for Lots 6-14, Block 29. Brandy Randall seconded the motion. Motion passed unanimously.

Consideration of an Encroachment Easement Agreement with Raegan Ellease, Lot 39 and 40, Block 12, Town of Rico. Raegan Ellease acquired the parcel that includes the historic assay office in January 2019. The assay office was built at a time when the use of surveyors to locate lot lines was not a common practice and the assay office encroaches into Soda Street. Ms. Ellease would like to do work on the building to ensure that it maintains its historic value but understandably she did not want to put money into a structure that was partially on someone else's property. Both the Town and Ms. Ellease is to maintain the historic value of the assay office, eventually we were able to produce an agreement to which both parties can consent. A copy of the agreement was presented for approval.

Patrick Fallon made a motion to approve the Easement Agreement with Raegan Ellease, Lot 39 and 40, Block 12. Nicole Pieterse seconded the motion. Motion passed unanimously.

Consideration of a Subdivision Improvement Agreement with Gulch Lode LLC, Lot 9 Van Winkle Subdivision. Gerrish Willis would like to build a house on Lot 9, Van Winkle subdivision. Lot 9 is currently served by the Town water system. According to Plat Note 8 on the Van Winkle subdivision recorded in the office of the Dolores County Clerk and Recorder on November 12, 2008: Lot 9 owner shall not be permitted to construct any dwelling unit on Lot 9 unless and until the owner complies with the Town's subdivision and platting requirements including the submission of engineered drawings regarding the extension of utilities, execution of a subdivision improvements agreement (also executed by the Lot 4 owner) and the posting of a bond in the amount of 125%. A copy of the proposed agreement was submitted. Mr. Willis has apparently been unable to engage the owner of Lot 4.

Joe Dillsworth made a motion to approve the agreement pending the execution of a bond as per Note 8 and the submittal to the Town as per the Plat Note 8, a set of complete engineered drawings including a grading plan that includes the Town owned property to be disturbed by the water line construction and a plan/profile of the water line signed by an engineer licensed in the State of Colorado. Barbara Betts seconded the motion. Motion passed unanimously.

Consideration of Cancellation of 4<sup>th</sup> of July 2020 Events. The Rico Fire Protection District decided no 4<sup>th</sup> of July celebration this year, no fireworks, picnic or parade. Decision will likely be finalized at the District meeting next week. There are other events associated with the 4<sup>th</sup> of July sponsored by the Rico Women's Club and the Artists of Rico. Both organizations have alerted that the town will be discussing these other programs at this meeting. The town needs to decide if we believe there is a way to go forward with some of the other events safely and within the confines of the State Health Department or if we should just cancel all events.

### RIGHT-OF-WAY ENCROACHMENT EASEMENT AGREEMENT

THIS RIGHT-OF-WAY ENCROACHMENT EASEMENT AGREEMENT ("Agreement") is made and entered into effective the 28th day of May, 2020, by and between the Town of Rico, a Colorado home rule municipality as the grantor ("Town") and Raegan Ellease ("Grantee").

WHEREAS, Grantee owns Lot 39 and Lot 40, Block 12, Town of Rico, Dolores County, Colorado ("Property") upon which the historic Assay Building of the Rio Grande Southern Railroad ("Assay Building") is located;

WHEREAS, the north side of the Assay Building encroaches into the Town's west Soda Street right-of-way ("Right-of-Way") by approximately 3 feet 8 inches as depicted on Exhibit A attached hereto and incorporated herein by this reference ("Encroachment Area"); and

WHEREAS, Grantee and Town desire to enter into this Agreement to allow the Assay Building's current encroachment in accordance with the terms and conditions set forth herein;

NOW, THEREFOR, in consideration of \$150.00, the recitals above, and the mutual covenants and agreements between the parties hereto, the Town and Grantee agree as follows:

1. **GRANT OF EASEMENT.** The Town grants to Grantee an easement for the current Assay Building to remain in the Encroachment Area ("Easement") and for the maintenance, repair, upgrade and use of the Assay Building. Grantee shall have no right to use the Easement or Encroachment Area for any other or additional use or purpose. The Easement is subject to any and all existing utilities, conditions, covenants and restrictions of record in or affecting the Encroachment Area.
2. **TERM.** The Easement shall be perpetual subject to the provisions of Section 4 below.
3. **LIMITED SCOPE.** The Easement is limited in scope to the use of the existing portion of the Assay Building that is located within the Encroachment Area and any improvements thereto. Grantee shall not have the right to expand the Encroachment Area or alter or change Grantee's use of the Encroachment Area without the Town's prior written consent. The Easement Area may be expanded to include a small overhang if approved by the Town following Grantee's submission of drawings specifically showing the overhang design, dimensions and any additional information requested by the Town. In the event that an overhang is permitted, this Agreement, including Exhibit A, shall be amended accordingly.
4. **TERMINATION.** This Agreement and the Easement shall automatically terminate upon destruction of 75% or more, as determined by the Town, of the Assay Building. At such time as the Easement terminates, Grantee shall remove, at Grantee's sole cost and expense, any and all improvements, debris and materials of Grantee, which encroach into the Town Right-of-Way. If Grantee fails to exercise its duties under this Section, the Town shall have the right to remove said encroachments and restore the Town Right-of-Way, and Grantee shall reimburse the Town its full cost and expense for any such removal or restoration. Upon termination of this Agreement, the Town may cause a written notice of termination to be recorded in the office of the Dolores County, Colorado Clerk and Recorder. Notwithstanding the foregoing, Grantee may dismantle and reconstruct portions of the north wall of the Assay Building within the Encroachment Area as part of initial construction of the building incorporating it, and such work shall not trigger a termination of this Agreement and the Easement.
5. **INSURANCE.** Grantee shall keep and maintain, at their sole cost and expense, a general liability

insurance coverage for itself and for Grantee's, guests, invitees, contractors and consultants who use, repair, maintain or upgrade the Encroachments and naming the Town as an additional insured. Upon written request of the Town, Grantee shall provide the Town with certificates of insurance. The Policy shall include a provision requiring a minimum of thirty (30) days' notice to the Town of any change or cancellation.

6. COMPLIANCE WITH LAW. Grantee shall adhere to and comply with all ordinances, laws, rules and regulations that may pertain to or apply to the Encroachment Area and Grantee's use of the Encroachment Area.
7. INDEMNIFICATION. To the fullest extent permitted by law, Grantee shall indemnify, defend, save, and hold the Town, its officers, agents, servants, employees, boards and commissions harmless from and against:
  - A. Damage to Property, Grantee or Others. Any claims, suits, judgments, costs, attorneys' fees, loss, liability, damage or other relief, including but not limited to workers' compensation claims, to Grantee's encroachments and/or any person or property in any way resulting from or arising out of the existence of this Agreement or the existence, maintenance, use or location of Grantee's encroaching improvements within the Town Right-of-Way. In the event of any action against the Town, its officers, agents, servants, employees, boards or commissions covered by the foregoing duty to indemnify, defend and hold harmless.
  - B. Mechanic's Liens. Any loss, liability, claim or suit arising from the foreclosure, or attempted foreclosure, of a mechanic's or materialmen's lien for goods delivered to Grantee or work performed by or for Grantee upon or at the Encroachment Area or Grantee's property.

Such indemnification shall include the Town's reasonable attorneys' fees incurred in connection with any such loss, claim or suit. The provisions of this Section 7 shall survive any termination of this Agreement.

8. BREACH AND LIMITS ON DAMAGES. If either party violates or breaches any term of this Agreement, such violation or breach shall be deemed to constitute a default, and the other party shall have the right to seek such administrative, contractual or legal remedies as may be suitable for such violation or breach; provided, however, that in no event shall the Town be liable to Grantee for monetary damages of any kind relating to or arising from any breach of this Agreement, and that no action of any kind shall be commenced by Grantee against the Town for monetary damages. If any legal action is brought by the Town for the enforcement of any of the obligations of Grantee related to or arising from this Agreement and the Town is the prevailing party in such action, the Town shall be entitled to recover from Grantee reasonable interest and attorneys' fees.
9. MISCELLANEOUS.
  - A. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Dolores County, Colorado.
  - B. No Waiver Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by any Party shall not constitute a waiver of any of the other terms or obligation of this Agreement
  - C. Integration This Agreement constitutes the entire agreement between the parties.

- D. Notice Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class U.S. Mail to the Town at PO Box 9, Rico, Colorado 81332 and to the Grantee at the Grantee's address of record in the Dolores County Assessor's office.
- E. Severability If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.
- F. Modification This Agreement may only be modified or amended upon written agreement of the Parties. No agent, employee, or representative of either party is authorized to modify any term of this Agreement, either directly or implied by a course of action.
- G. Governmental Immunity Grantee and the Town are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended, or otherwise available to the parties and their officers, attorneys or employees.
- H. Recordation This Agreement shall be recorded in the real property records of Dolores County, Colorado. Grantee shall reimburse the Town for recording fees.
- I. Execution This Agreement may be executed in counterparts. A signed digital copy of this Agreement shall have the same force and effect as a signed original document, and this Agreement may be recorded with such signatures.
- J. Binding Effect; Runs with Land All of the easements, benefits and rights reserved, granted, or agreed to herein and the terms, conditions, burdens and obligations imposed, covenanted, and agreed to herein shall inure to the benefit of and be binding upon the heirs, successors and assigns of the parties to this Agreement. This Agreement and the rights and obligations set forth in this Agreement run with the land, and thus to the then current owner of the Property, and not with Grantee as the prior owner.
- K. Counterparts This Agreement may be executed separately in counterparts and, when so executed, all such counterparts shall be deemed a single instrument binding upon all parties hereto notwithstanding the fact that all parties have not signed the same counterpart.

IN WITNESS WHEREOF, the parties have executed this Agreement.

**TOWN OF RICO, COLORADO**

By: Barbara R. Sotto  
Mayor

Date: 5-28-2020

ATTEST:

Linda Yellowman  
Linda Yellowman, Town Clerk

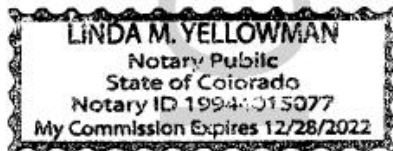
GRANTEE:

  
Raegan ElleaseDate: 5/28/20STATE OF Colorado )  
 ) ss.  
COUNTY OF Dolores )Subscribed and sworn to before me by Raegan Ellease, this 28 day of MAY, 2020.

Witness my hand and official seal.

My commission expires: 12/28/2022

(SEAL)

  
Notary Public

**TOWN OF RICO  
ORDINANCE NO. 2025-01**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO APPROVING  
THE PURCHASE OF THE COMMUNITY CHURCH PROPERTY  
LOCATED AT 110 AND 116 EAST MANTZ AVENUE**

**WHEREAS**, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

**WHEREAS**, the Board of Trustees (the “Board”) has the power pursuant to C.R.S. §§ 31-15-101(d) to purchase, by ordinance, real property; and

**WHEREAS**, pursuant to the Charter Article XIV § 14.1, the Board is authorized to purchase real property by ordinance; and.

**WHEREAS**, the Rico Historic Society (“RHS”) owns that property located at 208 East Mantz, Rico, Colorado 81332, which is under contract to be sold for \$369,000 at a closing scheduled for March 20, 2025 (the “RHS Sale”); and

**WHEREAS**, RHS desires to donate \$350,000 of the proceeds of the RHS Sale to the Town; and

**WHEREAS**, United Presbyterian Church owns that real property described as Lots 17R-20R, Block 15, Town of Rico, according to the official plat of said Town, recorded in the office of the Clerk and Recorder, Dolores County, State of Colorado, also known as 110 and 116 East Mantz Avenue, Rico, Colorado 81332 (the “Property”) together with a commercial building previously used as a community church (the “Church”), and a separate single family residence (the “Home”); and

**WHEREAS**, the Church may be used as a community center, and the Home may be used to provide housing for individuals that work for, or in, the Town; and

**WHEREAS**, the Board has determined that it is in the best interest of the Town to purchase the Property; and

**WHEREAS**, the Town has negotiated a Contract to Buy and Sell Real Estate for the Property (the “Contract”) with the Seller, United Presbyterian Church, a non-profit organization, dated February 9, 2025. Such Contract is attached hereto as **Exhibit 1**, and incorporated herein by reference; and

**WHEREAS**, the Contract is contingent on the Board’s approval of the Contract; and

**WHEREAS**, upon receipt of the proceeds of the RHS Sale the Town will have the funds necessary to close the sale provided for in the Contract; and

**WHEREAS**, the Contract provides that closing is contingent upon the closing of the RHS Sale and the Town's receipt of the net sale proceeds thereof; and

**WHEREAS**, the Board has reviewed the Contract and desires to approve it; and

**WHEREAS**, the Board has determined that the adoption of this ordinance is necessary and proper to provide for the safety, health, prosperity and order of the Town.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:**

**Section 1.** The recitals above are hereby adopted as findings and incorporated herein.

**Section 2.** The Board hereby approves the sale of the Property pursuant to the terms of the Contract attached as **Exhibit 1**.

**Section 3.** Ordinances authorizing the acquisition or disposal of real estate interests shall take effect thirty days after final approval and shall be subject to citizen referendum according to the procedures in the Charter, Article XII.

**Section 4.** All ordinances heretofore passed and adopted by the Board are hereby repealed to the extent that said ordinances, or parts thereof, are in conflict with this Ordinance.

**Section 5.** If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent, be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections thereof to any person or circumstance, shall remain in full force and shall in no way be affected, impaired or invalidated.

**INTRODUCED, READ AND APPROVED ON FIRST READING AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO HELD ON FEBRUARY 19, 2025.**

**PASSED, APPROVED ON SECOND READING, ADOPTED AND ORDERED PUBLISHED IN FULL AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF RICO, COLORADO HELD ON \_\_\_\_\_, 2025.**

TOWN OF RICO, COLORADO

\_\_\_\_\_  
Patrick Fallon, Mayor

ATTEST:

\_\_\_\_\_  
Anna Wolf, Town Clerk



TELLURIDE  
PROPERTIES  
On Top of Telluride

**Forbes**  
GLOBAL PROPERTIES

LaBorde Team  
(970) 708-3774  
labordeteam@telluridepropertyes.com

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.  
(CBS1-6-24) (Mandatory 8-24)

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

## CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL)

Date: 02/09/25

### AGREEMENT

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

**2. PARTIES AND PROPERTY.**

**2.1. Buyer.** Town of Rico (Buyer) will take title to the Property described below as ☐ Joint Tenants ☐ Tenants In Common ☒ Other \_\_\_\_\_.

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

**2.3. Seller.** Presbytery of Western Colorado (Seller) is the current owner of the Property described below.

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

**RICO LOT 20R S 1/4 LOT 17, LOT 17-19R BLK 15 36-40-11 B-54 P-100 B-110 P-107 B-255 P-413 ,414 B-264 P-300 B-333 P-297(WTR) B-341 P-258(JUD) B-2 P-152(REPLAT) B-372 P-381(COV)**

known as: 110 and 116 E Mantz Rico CO 81332,  
Street Address City State Zip

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

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

**2.5.1. Inclusions – Attached.** If attached to the Property on the date of this Contract, the following items are included unless excluded under **Exclusions**: lighting, heating, plumbing, ventilating and air conditioning units, TV antennas, inside telephone, network and coaxial (cable) wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, sprinkler systems and controls, built-in vacuum systems (including accessories) and garage door openers (including \_\_\_\_\_ remote controls). If checked, the following are owned by the Seller and included: ☐ Solar Panels ☐ Water Softeners ☐ Security Systems ☐ Satellite Systems (including satellite dishes). Leased items should be listed under § 2.5.8. (Leased Items). If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the Purchase Price.

**2.5.2. Inclusions – Not Attached.** If on the Property, whether attached or not, on the date of this Contract, the following items are included unless excluded under **Exclusions**: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors and all keys.

**2.5.3. Other Inclusions.** The following items, whether fixtures or personal property, are also included in the Purchase Price:

**TBD BY SELLER BEFORE MEC + 21**

☐ If the box is checked, Buyer and Seller have concurrently entered into a separate agreement for additional personal property outside of this Contract.

**2.5.4. Home Warranty.** Seller and Buyer are aware of the existence of pre-owned home warranty programs that may be purchased and may cover the repair or replacement of certain Inclusions.

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

Buyer ☐ **Will** ☒ **Will Not** assume the debt and obligations on the Encumbered Inclusions subject to Buyer's review under §10.6. (Encumbered Inclusion Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive such approval this Contract terminates.

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

**2.5.7. Parking and Storage Facilities.** The use or ownership of the following parking facilities: \_\_\_\_\_; and the use or ownership of the following storage facilities: SHED ON SITE.  
Note to Buyer: If exact rights to the parking and storage facilities is a concern to Buyer, Buyer should investigate.

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

Buyer ☐ **Will** ☒ **Will Not** assume Seller's debt and obligations under such leases for the Leased Items subject to Buyer's review under §10.6. (Leased Items Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive such approval this Contract terminates.

☐ **2.5.9. Solar Power Plan.** If the box is checked, Seller has entered into a solar power purchase agreement, regardless of the name or title, to authorize a third-party to operate and maintain a photovoltaic system on the Property and provide electricity (Solar Power Plan) that will remain in effect after Closing. Buyer ☐ **Will** ☒ **Will Not** assume Seller's obligations under such Solar Power Plan subject to Buyer's review under §10.6. (Solar Power Plan) and Buyer's receipt of written approval by the third-party before Closing. If Buyer does not receive such approval this Contract terminates.

**2.6. Exclusions.** The following items are excluded (Exclusions):  
**ANTIQUÉ SISPLAY AND ITEMS IN ENTRY, ORGANS, CROSSES AND ANY RELIGIOUS ITEMS ON ALTER**

**2.7. Water Rights/Well Rights.**

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

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

☒ **2.7.2. Other Rights Relating to Water.** The following rights relating to water not included in §§ 2.7.1., 2.7.3. and 2.7.4., will be transferred to Buyer at Closing:  
**TWO CITY OF RICO WATER TAPS**

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

☐ **2.7.4. Water Stock.** The water stock to be transferred at Closing are as follows:

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

**2.7.6. Water Rights Review.** Buyer has a Right to Terminate if examination of the Water Rights is unsatisfactory to Buyer on or before the **Water Rights Examination Deadline**.

**3. DATES, DEADLINES AND APPLICABILITY.**

**3.1. Dates and Deadlines.**

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	
2	§ 4	Alternative Earnest Money Deadline	MEC + 5
		<b>Title</b>	
3	§ 8	Record Title Deadline (and Tax Certificate)	MEC + 7
4	§ 8	Record Title Objection Deadline	02/21/25
5	§ 8	Off-Record Title Deadline	MEC + 7
6	§ 8	Off-Record Title Objection Deadline	02/21/25
7	§ 8	Title Resolution Deadline	02/28/25
8	§ 8	Third Party Right to Purchase/Approve Deadline	N/A
		<b>Owners' Association</b>	
9	§ 7	Association Documents Deadline	N/A
10	§ 7	Association Documents Termination Deadline	N/A
		<b>Seller's Disclosures</b>	
11	§ 10	Seller's Property Disclosure Deadline	MEC + 7
12	§ 10	Lead-Based Paint Disclosure Deadline	MEC + 7
		<b>Loan and Credit</b>	
13	§ 5	New Loan Application Deadline	N/A
14	§ 5	New Loan Terms Deadline	N/A
15	§ 5	New Loan Availability Deadline	N/A
16	§ 5	Buyer's Credit Information Deadline	N/A
17	§ 5	Disapproval of Buyer's Credit Information Deadline	N/A
18	§ 5	Existing Loan Deadline	N/A
19	§ 5	Existing Loan Termination Deadline	N/A
20	§ 5	Loan Transfer Approval Deadline	N/A
21	§ 4	Seller or Private Financing Deadline	N/A
		<b>Appraisal</b>	
22	§ 6	Appraisal Deadline	N/A
23	§ 6	Appraisal Objection Deadline	N/A
24	§ 6	Appraisal Resolution Deadline	N/A
		<b>Survey</b>	
25	§ 9	New ILC or New Survey Deadline	02/19/25
26	§ 9	New ILC or New Survey Objection Deadline	02/21/25
27	§ 9	New ILC or New Survey Resolution Deadline	02/28/25
		<b>Inspection and Due Diligence</b>	
28	§ 2	Water Rights Examination Deadline	02/21/25
29	§ 8	Mineral Rights Examination Deadline	02/21/25
30	§ 10	Inspection Termination Deadline	N/A
31	§ 10	Inspection Objection Deadline	N/A
32	§ 10	Inspection Resolution Deadline	N/A
33	§ 10	Property Insurance Termination Deadline	N/A
34	§ 10	Due Diligence Documents Delivery Deadline	MEC + 7
35	§ 10	Due Diligence Documents Objection Deadline	02/21/25
36	§ 10	Due Diligence Documents Resolution Deadline	02/28/25
37	§ 10	Conditional Sale Deadline	03/20/25
38	§ 10	Lead-Based Paint Termination Deadline	02/21/25
		<b>Closing and Possession</b>	
39	§ 12	Closing Date	ON OR BEFORE 4/15/25
40	§ 17	Possession Date	AT CLOSING
41	§ 17	Possession Time	AT CLOSING
42	§ 27	Acceptance Deadline Date	02/11/25
43	§ 27	Acceptance Deadline Time	5 PM MST

110 **Note:** If **FHA** or **VA** loan boxes are checked in § 4.5.3. (Loan Limitations), the **Appraisal** deadlines **DO NOT** apply to **FHA**  
 111 insured or **VA** guaranteed loans.

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

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

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

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

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

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

## 4. PURCHASE PRICE AND TERMS.

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

Item No.	Reference	Item	Amount	Amount
1	§ 4.1.	Purchase Price	\$ 425000.00	
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		\$ 410000.00
10		<b>TOTAL</b>	\$ 425000.00	\$ 425000.00

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

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

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

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

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

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

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

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

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

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

**4.5. New Loan.**

**4.5.1. Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller Concession), if applicable, must timely pay Buyer’s loan costs, loan discount points, prepaid items and loan origination fees as required by lender.

**4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan Limitations) or § 30 (Additional Provisions).

**4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of loans: ☐ **Conventional** ☐ **FHA** ☐ **VA** ☐ **Bond** ☐ **Other** \_\_\_\_\_. If either or both of the FHA or VA boxes are checked, and Buyer closes the transaction using one of those loan types, Seller agrees to pay those closing costs and fees that Buyer is not allowed by law to pay not to exceed \$ \_\_\_\_\_. However, this amount does not include any compensation to be paid to Buyer’s brokerage firm.

**4.5.4. Loan Estimate – Monthly Payment and Loan Costs.** Buyer is advised to review the terms, conditions and costs of Buyer’s New Loan carefully. If Buyer is applying for a residential loan, the lender generally must provide Buyer with a Loan Estimate within three days after Buyer completes a loan application. Buyer also should obtain an estimate of the amount of Buyer’s monthly mortgage payment.

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

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

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

This Contract terminates if written consent from Seller’s lender for Buyer’s assumption of Seller’s existing loan is not received by all parties and the Closing Company on or before Closing.

**4.7. Seller or Private Financing.**

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

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

**4.7.1.1. Seller May Terminate.** If Seller is to provide Seller financing, this Contract is conditional upon Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost, and compliance with the law. Seller has the Right to Terminate under § 24.1., on or before **Seller or Private Financing Deadline**, if such Seller financing is not satisfactory to Seller, in Seller’s sole subjective discretion.

**4.7.2. Buyer May Terminate.** If Buyer is to pay all or any portion of the Purchase Price with Seller or private financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to Buyer, including its availability, payments, interest rate, terms, conditions, and cost. Buyer has the Right to Terminate under § 24.1, on or before **Seller**

215 **or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective  
216 discretion.

## TRANSACTION PROVISIONS

### 218 **5. FINANCING CONDITIONS AND OBLIGATIONS.**

219 **5.1. New Loan, Assumption Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more  
220 new loans (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an  
221 application verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such  
222 loan or approval.

223 **5.2. New Loan Terms; New Loan Availability.**

224 **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  
225 conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed New Loan's payments, interest  
226 rate, conditions and costs or any other loan terms (New Loan Terms) are satisfactory to Buyer. This condition is for the sole  
227 benefit of Buyer. Buyer has the Right to Terminate under § 24.1., on or before **New Loan Terms Deadline**, if the New Loan  
228 Terms are not satisfactory to Buyer, in Buyer's sole subjective discretion.

229 **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  
230 conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's  
231 New Loan Application (New Loan Availability). Buyer has the Right to Terminate under § 24.1., on or before the **New Loan**  
232 **Availability Deadline** if the New Loan Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on  
233 the New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property  
234 Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property (§ 10.7. below). **IF SELLER IS**  
235 **NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN NOTICE TO TERMINATE, BUYER'S**  
236 **EARNEST MONEY WILL BE NONREFUNDABLE**, except as otherwise provided in this Contract (e.g., Appraisal, Title,  
237 Survey).

238 **5.3. Credit Information.** This Contract is conditional (for the sole benefit of Seller) upon Seller's approval of Buyer's  
239 financial ability and creditworthiness, which approval will be in Seller's sole subjective discretion. Accordingly: (1) Buyer must  
240 supply to Seller by **Buyer's Credit Information Deadline**, at Buyer's expense, information and documents (including a current  
241 credit report) concerning Buyer's financial, employment and credit condition; (2) Buyer consents that Seller may verify Buyer's  
242 financial ability and creditworthiness; and (3) any such information and documents received by Seller must be held by Seller in  
243 confidence and not released to others except to protect Seller's interest in this transaction. If the Cash at Closing is less than as set  
244 forth in § 4.1. of this Contract, Seller has the Right to Terminate under § 24.1., on or before Closing. If Seller disapproves of  
245 Buyer's financial ability or creditworthiness, in Seller's sole subjective discretion, Seller has the Right to Terminate under § 24.1.,  
246 on or before **Disapproval of Buyer's Credit Information Deadline**.

247 **5.4. Existing Loan Review.** Seller must deliver copies of the loan documents (including note, deed of trust and any  
248 modifications) to Buyer by **Existing Loan Deadline**. For the sole benefit of Buyer, this Contract is conditional upon Buyer's  
249 review and approval of the provisions of such loan documents. Buyer has the Right to Terminate under § 24.1., on or before  
250 **Existing Loan Termination Deadline**, based on any unsatisfactory provision of such loan documents, in Buyer's sole subjective  
251 discretion. If the lender's approval of a transfer of the Property is required, this Contract is conditional upon Buyer obtaining such  
252 approval without change in the terms of such loan, except as set forth in § 4.6. If lender's approval is not obtained by **Loan**  
253 **Transfer Approval Deadline**, this Contract will terminate on such deadline. Seller has the Right to Terminate under § 24.1., on or  
254 before Closing, in Seller's sole subjective discretion, if Seller is to be released from liability under such existing loan and Buyer  
255 does not obtain such compliance as set forth in § 4.6.

256 **5.5. Buyer Representation of Principal Residence.** Buyer represents that Buyer will occupy the Property as Buyer's  
257 principal residence unless the following box is checked, then Buyer ☒ represents that Buyer will **NOT** occupy the Property as  
258 Buyer's principal residence.

### 259 **6. APPRAISAL PROVISIONS.**

260 **6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged  
261 on behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set  
262 forth certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property  
263 to be valued at the Appraised Value.

264 **6.2. Appraised Value.** The applicable appraisal provision set forth below applies to the respective loan type set forth in  
265 § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.

266 **6.2.1. Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the  
267 Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal**  
268 **Objection Deadline**:

269 **6.2.1.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated;  
270 or

271 **6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by either a copy of the  
 272 Appraisal or written notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification).

273 **6.2.1.3. Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or before **Appraisal**  
 274 **Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Appraisal Resolution**  
 275 **Deadline**, this Contract will terminate on the **Appraisal Resolution Deadline**, unless Seller receives Buyer's written withdrawal  
 276 of the Appraisal Objection before such termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**).

277 **6.2.2. FHA.** It is expressly agreed that, notwithstanding any other provisions of this Contract, the purchaser  
 278 (Buyer) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of  
 279 Earnest Money deposits or otherwise unless the purchaser (Buyer) has been given, in accordance with HUD/FHA or VA  
 280 requirements, a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct  
 281 Endorsement lender, setting forth the appraised value of the Property of not less than \$\_\_\_\_\_. The purchaser (Buyer) shall have the  
 282 privilege and option of proceeding with the consummation of this Contract without regard to the amount of the appraised  
 283 valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban  
 284 Development will insure. HUD does not warrant the value nor the condition of the Property. The purchaser (Buyer) should satisfy  
 285 himself/herself/themselves that the price and condition of the Property are acceptable.

286 **6.2.3. VA.** It is expressly agreed that, notwithstanding any other provisions of this Contract, the purchaser (Buyer)  
 287 shall not incur any penalty by forfeiture of Earnest Money or otherwise or be obligated to complete the purchase of the Property  
 288 described herein, if the Contract Purchase Price or cost exceeds the reasonable value of the Property established by the Department  
 289 of Veterans Affairs. The purchaser (Buyer) shall, however, have the privilege and option of proceeding with the consummation of  
 290 this Contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs.

291 **6.3. Lender Property Requirements.** If the lender imposes any written requirements, replacements, removals or repairs,  
 292 including any specified in the Appraisal (Lender Property Requirements) to be made to the Property (e.g., roof repair, repainting),  
 293 beyond those matters already agreed to by Seller in this Contract, this Contract terminates on the earlier of three days following  
 294 Seller's receipt of the Lender Property Requirements, or Closing, unless prior to termination: (1) the parties enter into a written  
 295 agreement to satisfy the Lender Property Requirements; (2) the Lender Property Requirements have been completed; or (3) the  
 296 satisfaction of the Lender Property Requirements is waived in writing by Buyer.

297 **6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by  
 298 ☐ Buyer ☐ Seller. The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management  
 299 company, lender's agent or all three.

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

302 **7.1. Common Interest Community Disclosure.** **THE PROPERTY IS LOCATED WITHIN A COMMON**  
 303 **INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF**  
 304 **THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE**  
 305 **COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE**  
 306 **ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL**  
 307 **OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY**  
 308 **ASSESSMENTS OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE**  
 309 **ASSOCIATION COULD PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE**  
 310 **DECLARATION, BYLAWS AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE**  
 311 **OWNER FROM MAKING CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE**  
 312 **ASSOCIATION (OR A COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION.**  
 313 **PURCHASERS OF PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE**  
 314 **FINANCIAL OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY**  
 315 **READ THE DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF**  
 316 **THE ASSOCIATION.**

317 **7.2. Association Documents to Buyer.** Seller is obligated to provide to Buyer the Association Documents (defined  
 318 below), at Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the  
 319 Association Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon  
 320 Buyer's receipt of the Association Documents, regardless of who provides such documents.

321 **7.3. Association Documents.** Association documents (Association Documents) consist of the following:

322 **7.3.1.** All Association declarations, articles of incorporation, bylaws, articles of organization, operating  
 323 agreements, rules and regulations, party wall agreements and the Association's responsible governance policies adopted under  
 324 § 38-33.3-209.5, C.R.S.;

325 **7.3.2.** Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers'  
 326 meetings; such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S.  
 327 (Annual Disclosure) and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the  
 328 preceding minutes exist, then the most recent minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

329 **7.3.3.** List of all Association insurance policies as provided in the Association's last Annual Disclosure, including,  
 330 but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list

must include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed (Association Insurance Documents);

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

**7.3.5.** The Association's most recent financial documents which consist of: (1) the Association's operating budget for the current fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent available financial audit or review, (4) list of the fees and charges (regardless of name or title of such fees or charges) that the Association's community association manager or Association will charge in connection with the Closing including, but not limited to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list 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. and 7.3.5., collectively, Financial Documents);

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

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

## 8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

### 8.1. Evidence of Record Title.

☒ **8.1.1. Seller Selects Title Insurance Company.** If this box is checked, Seller will select the title insurance company to furnish the owner's title insurance policy at Seller's expense. On or before **Record Title Deadline**, Seller must furnish to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase 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 issued and delivered to Buyer as soon as practicable at or after Closing.

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

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

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

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

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

**8.2. Record Title.** Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before **Record Title Objection Deadline**.

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

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

**8.4. Special Taxing and Metropolitan Districts.** SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY AND BY OBTAINING FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND RECORDER, OR THE COUNTY ASSESSOR. The official website for the Metropolitan District, if any, is: \_\_\_\_\_.

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

**8.6. Third Party Right to Purchase/Approve.** If any third party has a right to purchase the Property (e.g., right of first 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 right of a third party to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of 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 is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this Contract has not occurred on or before **Third Party Right to Purchase/Approve Deadline**, this Contract will then terminate. Seller will supply to Buyer, in writing, details of any Third Party Right to Purchase the Property on or before the Record Title Deadline.

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

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

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

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

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

**8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL, GAS OR WATER.**

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

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

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

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

**8.9. Mineral Rights Review.** Buyer has a Right to Terminate if examination of the Mineral Rights is unsatisfactory to Buyer on or before the **Mineral Rights Examination Deadline**.

## **9. NEW ILC, NEW SURVEY.**

**9.1. New ILC or New Survey.** If the box is checked, (1) ☒ **New Improvement Location Certificate (New ILC)**; or, (2) ☐ **New Survey** in the form of \_\_\_\_; is required and the following will apply:

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

**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 Closing, by: ☐ **Seller** ☐ **Buyer** or:

**9.1.3. Delivery of New ILC or New Survey.** Buyer, Seller, the issuer of the Title Commitment (or the provider of the opinion of title if an Abstract of Title) and \_\_\_\_ will receive a New ILC or New Survey on or before **New ILC or New Survey Deadline**.

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

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

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

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

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

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

## DISCLOSURE, INSPECTION AND DUE DILIGENCE

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

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

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

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

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

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

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

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

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

#### **10.6. Due Diligence.**

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

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

**10.6.1.2. Leased Items Documents.** If any lease of personal property (§ 2.5.8., Leased Items) will be transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information pertaining to the personal property to Buyer on or before **Due Diligence Documents Delivery Deadline**.

**10.6.1.3. Encumbered Inclusions Documents.** If any Inclusions owned by Seller are encumbered pursuant to § 2.5.5. (Encumbered Inclusions) above, Seller agrees to deliver copies of the evidence of debt, security and any other documents creating the encumbrance to Buyer on or before **Due Diligence Documents Delivery Deadline**.

**10.6.1.4. Solar Power Plan.** Copy of any Solar Power Plan not included in Leased Items (regardless of its name or title).

**10.6.1.5. Septic Use Permit.** If required by the local health department or other applicable government entity, on or before the local health department's applicable deadline, Seller must pay for and furnish to Buyer a Septic Use Permit.

**10.6.1.6. Other Documents.** Other documents and information:

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

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

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

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

**10.6.2.4. Automatic Due Diligence Extension.** If a Due Diligence Document is not delivered on or before the Due Diligence Documents Deadline, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review and object to such Due Diligence Document. If Buyer's right to review and object to such Due Diligence Document is extended due to such Due Diligence Document not being delivered on or before the Due Diligence Documents Deadline, the Due Diligence Document Resolution Deadline will also be extended to the earlier of Closing or fifteen days after Buyer's receipt of such Due Diligence Document.

**10.7. Conditional Upon Sale of Property.** This Contract is conditional upon the sale and closing of that certain property owned by Buyer and commonly known as 208 E MANTZ AVE, RICO, CO 81332. Buyer has the Right to Terminate under § 24.1. effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale Deadline** if such property is not sold and closed by such deadline. This Section is for the sole benefit of Buyer. If Seller does not receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline**, Buyer waives any Right to Terminate under this provision.

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

**10.9. Existing Leases; Modification of Existing Leases; New Leases.** [Intentionally Deleted]

**10.10. Lead-Based Paint.**

**10.10.1. Lead-Based Paint Disclosure.** Unless exempt, if the Property includes one or more residential dwellings constructed or a building permit was issued prior to January 1, 1978, for the benefit of Buyer, Seller and all required real estate licensees must sign and deliver to Buyer a completed Lead-Based Paint Disclosure (Sales) form on or before the **Lead-Based Paint Disclosure Deadline**. If Buyer does not timely receive the Lead-Based Paint Disclosure, Buyer may waive the failure to timely receive the Lead-Based Paint Disclosure, or Buyer may exercise Buyer's Right to Terminate under § 24.1. by Seller's receipt of Buyer's Notice to Terminate on or before the expiration of the **Lead-Based Paint Termination Deadline**.

**10.10.2. Lead-Based Paint Assessment.** If Buyer elects to conduct or obtain a risk assessment or inspection of the Property for the presence of Lead-Based Paint or Lead-Based Paint hazards, Buyer has a Right to Terminate under § 24.1. by Seller's receipt of Buyer's Notice to Terminate on or before the expiration of the **Lead-Based Paint Termination Deadline**. Buyer may elect to waive Buyer's right to conduct or obtain a risk assessment or inspection of the Property for the presence of Lead-Based Paint or Lead-Based Paint hazards. If Seller does not receive Buyer's Notice to Terminate within such time, Buyer

accepts the condition of the Property relative to any Lead-Based Paint as satisfactory and Buyer waives any Right to Terminate under this provision.

**10.11. Carbon Monoxide Alarms. Note:** If the improvements on the Property have a fuel-fired heater or appliance, a fireplace, or an attached garage and include one or more rooms lawfully used for sleeping purposes (Bedroom), the parties acknowledge that Colorado law requires that Seller assure the Property has an operational carbon monoxide alarm installed within fifteen feet of the entrance to each Bedroom or in a location as required by the applicable building code.

**10.12. Methamphetamine Disclosure.** If Seller knows that methamphetamine was ever manufactured, processed, cooked, disposed of, used or stored at the Property, Seller is required to disclose such fact. No disclosure is required if the Property was remediated in accordance with state standards and other requirements are fulfilled pursuant to § 25-18.5-102, C.R.S., Buyer further acknowledges that Buyer has the right to engage a certified hygienist or industrial hygienist to test whether the Property has ever been used as a methamphetamine laboratory. Buyer has the Right to Terminate under § 24.1., upon Seller's receipt of Buyer's written Notice to Terminate, notwithstanding any other provision of this Contract, based on Buyer's test results that indicate the Property has been contaminated with methamphetamine, but has not been remediated to meet the standards established by rules of the State Board of Health promulgated pursuant to § 25-18.5-102, C.R.S. Buyer must promptly give written notice to Seller of the results of the test.

**10.13. Radon Disclosure. THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT STRONGLY RECOMMENDS THAT ALL HOME BUYERS HAVE AN INDOOR RADON TEST PERFORMED BEFORE PURCHASING RESIDENTIAL REAL PROPERTY AND RECOMMENDS HAVING THE RADON LEVELS MITIGATED IF ELEVATED RADON CONCENTRATIONS ARE FOUND. ELEVATED RADON CONCENTRATIONS CAN BE REDUCED BY A RADON MITIGATION PROFESSIONAL.**

**RESIDENTIAL REAL PROPERTY MAY PRESENT EXPOSURE TO DANGEROUS LEVELS OF INDOOR RADON GAS THAT MAY PLACE THE OCCUPANTS AT RISK OF DEVELOPING RADON-INDUCED LUNG CANCER. RADON, A CLASS A HUMAN CARCINOGEN, IS THE LEADING CAUSE OF LUNG CANCER IN NONSMOKERS AND THE SECOND LEADING CAUSE OF LUNG CANCER OVERALL. THE SELLER OF RESIDENTIAL REAL PROPERTY IS REQUIRED TO PROVIDE THE BUYER WITH ANY KNOWN INFORMATION ON RADON TEST RESULTS OF THE RESIDENTIAL REAL PROPERTY.**

**AN ELECTRONIC COPY OF THE MOST RECENT BROCHURE PUBLISHED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN ACCORDANCE WITH C.R.S. §25-11-114(2)(A) THAT PROVIDES ADVICE ABOUT "RADON AND REAL ESTATE TRANSACTIONS IN COLORADO" IS AVAILABLE AT: [HTTPS://CDPHE.COLORADO.GOV/RADON-AND-REAL-ESTATE](https://cdphe.colorado.gov/radon-and-real-estate).**

## **11. TENANT ESTOPPEL STATEMENTS. [Intentionally Deleted]**

### **CLOSING PROVISIONS**

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

**12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the Closing Company to enable the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is obtaining a 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 must provide Buyer with the ability to access the Property (e.g. keys, access code, garage door opener). The hour and place of Closing will be as designated by **ALPINE TITLE**.

**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 § 2.5.8. (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 § 30 (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.

**15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND 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. However, if Buyer's loan specified in §4.5.3. (Loan Limitations) prohibits Buyer from paying for any of the fees contained in this Section, the fees will be paid for by Seller.

**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 Seller.

**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. Reserves or Working Capital.** Unless agreed to otherwise, all reserves or working capital due (or other similar cost not addressed in § 16.2. (Association Assessments)) 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.

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

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

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

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

☐ Water District/Municipality

☐ Water Stock

☐ Augmentation Membership

☐ Small Domestic Water Company

☐ \_\_\_\_\_

and must be paid at Closing by ☒ Buyer ☐ Seller ☐ One-Half by Buyer and One-Half by Seller ☐ N/A.

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

**15.9. FIRPTA and Colorado Withholding.**

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

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

**16. PRORATIONS AND ASSOCIATION ASSESSMENTS.**

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

**16.1.1. Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on ☐ **Taxes for the Calendar Year Immediately Preceding Closing** ☒ **Most Recent Mill Levy and Most Recent Assessed Valuation**, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled veteran exemption or ☐ **Other** \_\_\_\_\_.

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

**16.1.3. Other Prorations.** Water and sewer charges, propane, interest on continuing loan and \_\_\_\_.

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

**16.2. Association Assessments.** Current regular Association assessments and dues (Association Assessments) paid in advance will be credited to Seller at Closing. All Association Assessments accrued before Closing must be paid by Seller and all Association Assessments accrued after Closing must be paid by Buyer. Cash reserves held out of the regular Association Assessments for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing Documents. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of ☐ **Buyer** ☒ **Seller**. Except however, any special assessment by the Association for improvements that have been installed as of the date of Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in Additional Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current regular assessments and \_\_\_\_\_. Association Assessments are subject to change as provided in the Governing Documents.

**17. POSSESSION.** Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date** at **Possession Time**, subject to the Leases as set forth in § 10.6.1.1. If the parties have executed a Post-Closing Occupancy Agreement, such agreement will control Possession Date and Possession Time.

If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of \$ 150.00 per day (or any part of a day notwithstanding § 3.3., Day) from **Possession Date** and **Possession Time** until possession is delivered. Additionally, Buyer may pursue a claim against Seller for any of Buyer's actual additional damages incurred by Buyer in excess of such amount.

## GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**23. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must release the Earnest Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable attorney and legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is

852 authorized to return the Earnest Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has  
 853 not interpled the monies at the time of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order  
 854 of the Court. The parties reaffirm the obligation of § 22 (Mediation). This Section will survive cancellation or termination of this  
 855 Contract.

856 **24. TERMINATION.**

857 **24.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to Terminate), the  
 858 termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written  
 859 notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or  
 860 before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as  
 861 satisfactory and waives the Right to Terminate under such provision. Any Notice to Terminate delivered after the applicable  
 862 deadline specified in the Contract is ineffective and does not terminate this Contract.

863 **24.2. Effect of Termination.** In the event this Contract is terminated, all Earnest Money received hereunder must be  
 864 timely returned to Buyer and the parties are then 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 WEB PORTAL.

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 **29. BUYER'S BROKERAGE FIRM COMPENSATION.** Buyer's brokerage firm's compensation will be paid, at Closing, as  
 896 follows:

897 ☐ **29.1.** \_\_\_\_% of the Purchase Price or \$\_\_\_\_ by Seller. Buyer's brokerage firm is an intended third-party beneficiary  
 898 under this provision only. The amount paid by Seller under this provision is in addition to any other amounts Seller is paying on  
 899 behalf of Buyer elsewhere in this Contract.

900 ☐ **29.2.** \_\_\_\_% of the Purchase Price or \$\_\_\_\_ by Buyer pursuant to a separate agreement between Buyer and Buyer's  
 901 brokerage firm. This amount may be modified between Buyer and Buyer's brokerage firm outside of this Contract.

902 ☐ **29.3.** \_\_\_\_% of the Purchase Price or \$\_\_\_\_ by a separate agreement between Buyer's brokerage firm and Seller's  
 903 brokerage firm.

<b>ADDITIONAL PROVISIONS AND ATTACHMENTS</b>
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**30. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado Real Estate Commission.)

**31. OTHER DOCUMENTS.**

**31.1. Documents Part of Contract.** The following documents **are a part** of this Contract:

☐ **31.1.1. Post-Closing Occupancy Agreement.** If the box is checked, the Post-Closing Occupancy Agreement is a part of this Contract.

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

<b>SIGNATURES</b>
-------------------

Buyer's Name: Town of Rico

Buyer's Name: \_\_\_\_\_

Buyer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

Buyer's Signature \_\_\_\_\_ Date \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

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

Seller's Name: Presbytery of Western Colorado

Seller's Name: \_\_\_\_\_

Seller's Signature \_\_\_\_\_ Date \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

Seller's Signature \_\_\_\_\_ Date \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

<b>END OF CONTRACT TO BUY AND SELL REAL ESTATE</b>
--

**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 as specified in §29 above.

This Broker's Acknowledgments 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: \_\_\_\_\_  
 Broker's License #: \_\_\_\_\_

\_\_\_\_\_  
 Broker's Signature

\_\_\_\_\_  
 Date

Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Phone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_  
 \_\_\_\_\_

## 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 Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any agreement to pay compensation must be entered into separately and apart from this provision.

Brokerage Firm's Name: Telluride Properties Main St.  
 Brokerage Firm's License #: EC40042621  
 Broker's Name: LaBorde Team- Shawna LaBorde  
 Broker's License #: \_\_\_\_\_

\_\_\_\_\_  
 Broker's Signature **LaBorde Team**

\_\_\_\_\_  
 Date

Address: 232 W. Colorado Ave  
Telluride CO 81435

Phone No.: (970) 708-3774

Fax No.: \_\_\_\_\_

Email Address:

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labordeteam@tellurideproperties.com

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923

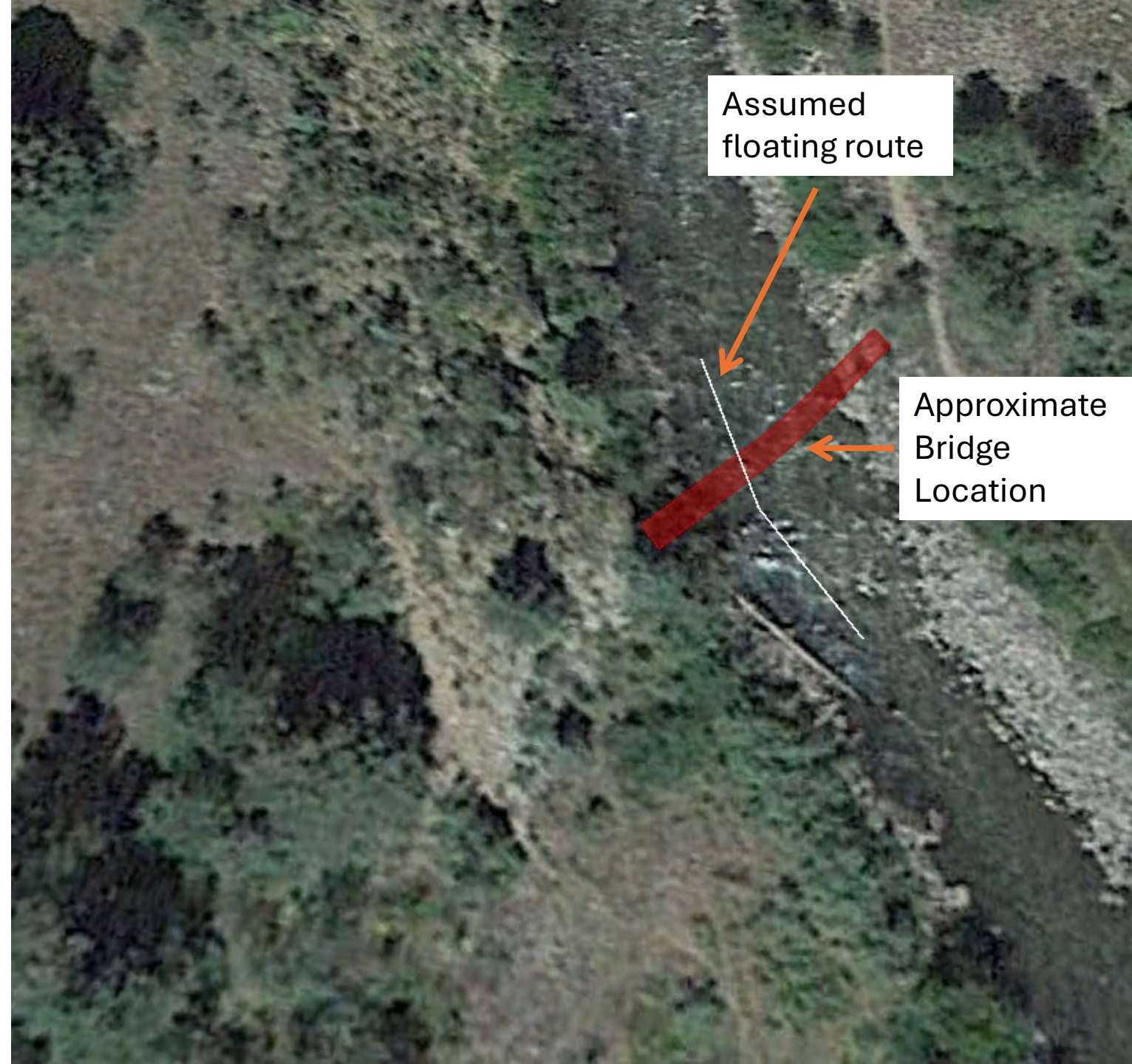
# RTA Proposed Pedestrian Bridge Follow-up

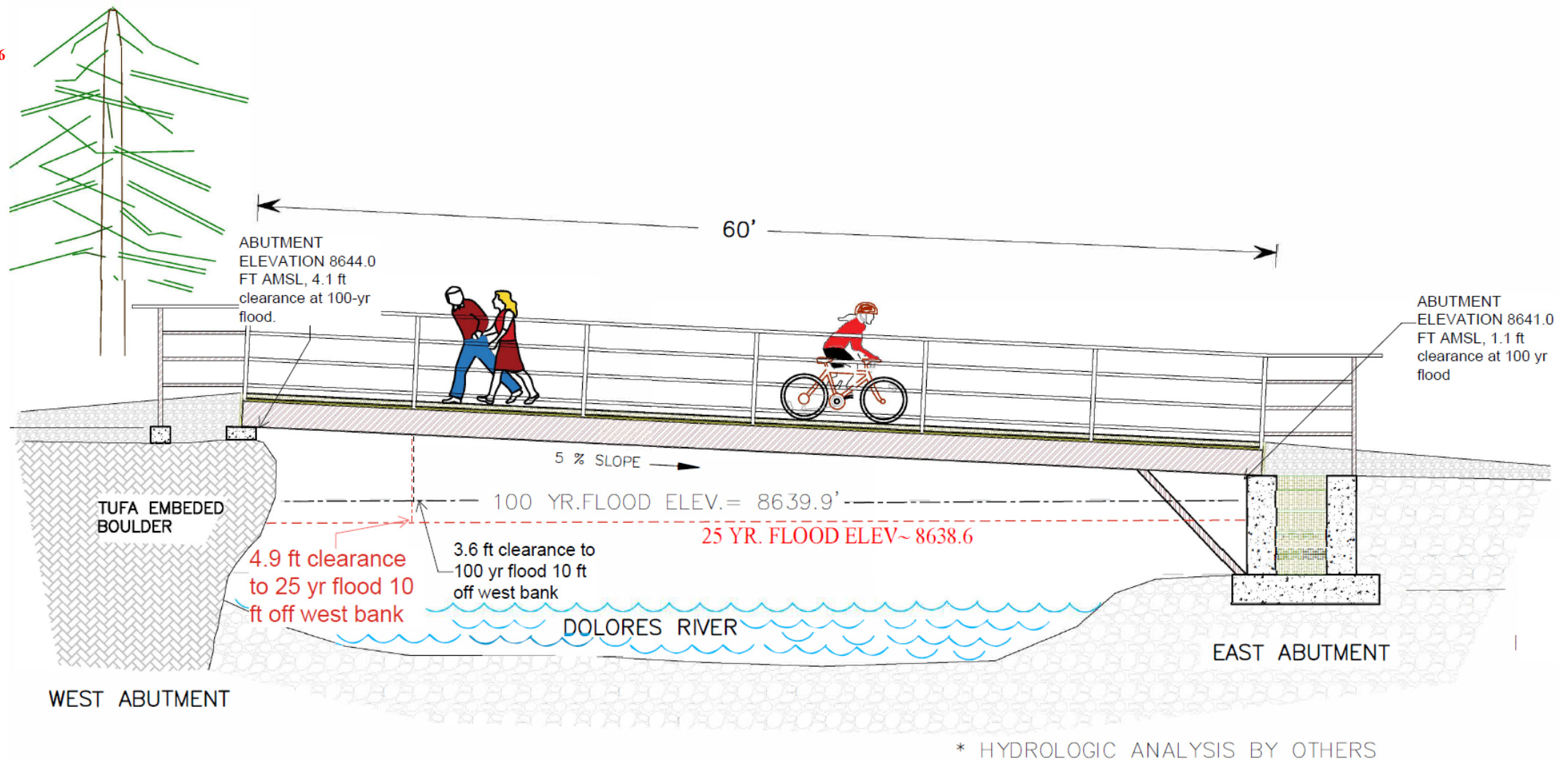
- At the last board of trustees meeting, trustees asked if the proposed bridge would have adequate clearance for river sports such as rafting and kayaking.
- Some downstream bridges on the upper Dolores River have little clearance at high flows, and are dangerous to whitewater users.
- RTA evaluated the clearance of the existing design to determine if adequate clearance for rafting and kayaking is present.
  - *Note that the calculations used are based on estimates of USGS streamflow data and are not a precise hydrological evaluation. The purpose of these calculations was to screen for the presence or absence of a potential bridge clearance issue.*

# Clearance Evaluation Approach

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- A combination of USGS Streamstats modeling, USGS stream gauge data for the Montelores gauging station location, available survey data, and calculations were used to determine clearance.
- The proposed bridge slopes at 5% from the west bank to the east bank, where the river curves to “river left” from west to east.
- Assumed that boaters would need to be at least 10 feet from the west bank when crossing under the bridge.





### Notes:

### BRIDGE PROFILE VIEW

- RGS bridge location 25-yr USGS-estimated event flow rate is 1680 CFS. 100-yr estimated event flow rate is 2430 CFS.
- Montelores USGS gauge location 25-yr USGS-estimated event flow is 2200 CFS. 100-yr estimated event flow rate is 2730 CFS.
- **The maximum flow rate measured at the Montelores gauge since installation in 1951 occurred on 5/24/1984 at 2170 CFS, approximately a 25-yr event.**

# Evaluation Results

- The proposed bridge has about 5 feet of clearance near the west bank during a 25-year flow event.
- Recurrence interval modeling provided by the USGS appears to be conservative. The highest flow ever recorded at the Montelores gauging station since installation in 1951 was 2170 CFS on 5/24/1984, slightly less than the modeled 2200 CFS 25-yr event for this location.
- **The proposed bridge design appears to provide adequate clearance for safe passage under any flow event experienced on this stretch of river since 1951.**

# 78 Back-up Slides: 25- YR Water Elevation Calculations

Available data includes:

- 100-yr flow rate (USGS Streamstats)
  - 100-yr water elevation (AECOM Model)
  - Topographic Map (Bulson survey derived from Lidar)
  - 25-yr flow rate (USGS Streamstats)
1. Determine cross-sectional area – Iterative approach using topographical information, assuming vertical west bank (due to rock outcrop) and sloping east bank. Iterated using 2-ft vertical compartments matching topo lines.

Determine Cross-sectional Area at Varying Elevations (Iterative Approach)				
Elevation (ft amsl)	Inputs from Topo Survey		Compartmental SA (ft <sup>2</sup> )	Cumulative SA (ft <sup>2</sup> )
	Height (ft)	Width (ft)		
8834	1	29	29	29
8836	2	46	75	104
8838	2	50	96	200
8840	2	58	108	308

Illustration of compartmentalized cross-sectional area (not to scale)



# Back-up Slides: 25- YR Water Elevation Calculations

## 2. Estimate 100-yr event velocity from cross-sectional area

Estimate 100-yr Event Velocity from Cross-sectional Area	
100 yr flow (USGS Streamstats)	2430
100 yr elevation AECOM model	8839.9
100 yr velocity (ft/s) (2430 (ft <sup>3</sup> /s) / 308 (ft <sup>2</sup> ))	7.9

# Back-up Slides: 25- YR Water Elevation Calculations

## 3. Estimate 25-yr event velocity:

- Used 100-yr event velocity (7.89 ft/s) as high bound
- Iterated velocity downward until 25-yr cross-sectional area matched 100-yr water cross-sectional area to determine low bound (5.45 ft/s)
- Applied proportion of 25-yr flow to 100-yr flow to difference between high and low bounds, subtracted from high velocity.
  - $(1 - (1680 \text{ ft}^3/\text{s} / 2430 \text{ ft}^3/\text{s})) \times 100 = 30.9\%$
  - $30.9\% \times (7.89 \text{ ft/s} - 5.45 \text{ ft/s}) = 0.75 \text{ ft/s}$
  - $7.89 \text{ ft/s} - 0.75 \text{ ft/s} = 7.14 \text{ ft/s} = \text{estimated 25-yr velocity}$

## 4. Calculate 25-yr event water elevation

Estimate 25-yr Event Elevation From Flow, Velocity, and Cross-sectional Area	
25-yr flow (ft <sup>3</sup> /s) (USGS Streamstats)	1680
25-yr velocity (ft/s)	7.14
25-yr SA (ft <sup>2</sup> )	235.3
Additional compartmentalized SA beyond 8838 / 200 ft <sup>2</sup>	35.29
elevation difference (ft above 8838)	0.61
25 yr elevation	8838.6
Bridge elevation 10 ft from W bank	8843.5
Bridge Clearance 10 ft from W bank	4.9

**TOWN OF RICO  
RESOLUTION NO. 2025-01**

**A RESOLUTION OF THE TOWN OF RICO BOARD OF TRUSTEES  
PRIORITIZING THE TOWN'S WATER SYSTEM, INFRASTRUCTURE  
REPAIRS, FUNDING INITIATIVES, PUBLIC WORKS DEPARTMENT  
STAFFING, AND ROAD MAINTENANCE**

**WHEREAS**, the Town of Rico recognizes the essential nature of a reliable and sustainable water system for the health, safety, and well-being of its residents; and

**WHEREAS**, the Town's infrastructure, including roads and public utilities, is aging and requires immediate and long-term investment to ensure continued functionality and safety; and

**WHEREAS**, the Town of Rico's Public Works Department is critical to maintaining essential services, including water system operations, street maintenance, and general municipal infrastructure; and

**WHEREAS**, securing sustainable funding is necessary to support infrastructure improvements, including but not limited to grant funding, state and federal assistance, water rate reviews, and potential property tax adjustments; and

**WHEREAS**, the Town recognizes the need to develop a long-term financial strategy to ensure ongoing maintenance and improvement of its water system, streets, and public works infrastructure; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:**

**Section 1.** Water System and Infrastructure as a Priority

The Board of Trustees formally designates the improvement and sustainability of the Town's water system, roads, and municipal infrastructure as top priorities. The Town shall take immediate action to assess, repair, and upgrade critical components of the water and road infrastructure.

**Section 2.** Infrastructure Repairs and Maintenance

The Town shall allocate resources to perform necessary short-term repairs and develop a long-term plan for ongoing maintenance and system improvements. The Town of Rico shall pursue professional assessments and recommendations to guide infrastructure improvements effectively. Street maintenance and repair shall be included in the Town's long-term infrastructure improvement plan. Town staff shall have the discretion to hire contractors to preform emergency repairs as needed.

**Section 3.** Funding and Financial Planning

The Town shall actively seek and apply for state, federal, and private grant opportunities to support water system repairs, road improvements, and other critical infrastructure needs. The Board shall explore all potential funding opportunities and other financial strategies to ensure sustainable funding. The Town shall conduct regular reviews of water rates to ensure sufficient revenue for maintenance and capital improvements while balancing affordability for residents. The Board shall evaluate the potential need for property tax increases or other revenue-generating measures to support infrastructure and public works staffing needs, subject to community input and approval where required.

**Section 4.** Public Works Staffing and Resources

The Town shall prioritize the recruitment and retention of qualified Public Works staff to oversee water system operations, street maintenance, and other municipal infrastructure. The Board shall consider budget allocations to ensure adequate staffing, training, and equipment for the Public Works Department. The Town shall evaluate opportunities to improve operational efficiency and service delivery within the Public Works Department.

**Section 5.** Community Engagement and Transparency

The Town shall ensure ongoing communication with residents regarding infrastructure improvements, funding efforts, and public works initiatives. The Board shall host public meetings and provide regular updates to keep the community informed and involved in decision-making processes.

**BE IT FURTHER RESOLVED**, this Resolution shall take effect immediately upon adoption, and the Board of Trustees directs the Town staff to take all necessary actions to implement its provisions.

APPROVED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO

This \_\_\_\_ day of \_\_\_\_\_, 202\_.

By:

Attest:

\_\_\_\_\_

\_\_\_\_\_

Partick Fallon , Mayor

Anna Wolf, Town Clerk