

PURCHASING PROPERTY (4/15/07)

We require Earnest Money to reserve a parcel for a 30-day period. **This Earnest Money is fully refundable for 30 days from the date of the Earnest Money Contract.** To reserve a property please complete our RESERVATION FORM and then mail a personal check or money order to: **W. Sattler, 710 Walnut St, Windsor CO 80550.**

For single parcels, less than 35 acres in size, Earnest Money is \$500; for multiple parcels or parcels over 35 acres, Earnest money is \$1,000

All Earnest Money is applied towards the purchase. When we receive Earnest Money, we take the parcel off the market and RESERVE it for the buyer. All Earnest Money is fully refundable, for any reason, for the duration of the 30-day reservation period. Buyers must notify us by phone, e-mail, or letter before the end of the reservation period to cancel and receive their deposit back.

We encourage all potential purchasers to come and look at their selected property during the reservation period. However, this is not a requirement. We try to provide representative photos and descriptions and will list special situations, such as accessibility, slope, and previous foreclosure actions, if applicable. In addition, we allow buyers to switch to another parcel from our inventory for one year from the date of the initial reservation. However, seeing and inspecting property with your own eyes is best. While most land sellers have a non-refundable closing fee ranging between \$100 and \$500, we have no such charge. Our listed cash price or installment price will pay the land in full. We do not pro-rate taxes. For deeds or contracts dated before July 1, buyer assumes the taxes due the following year. For deeds and contracts dated after June 30, we pay the taxes due the following year. They buyer would pay it themselves in subsequent years.

Our listed **CASH PRICES** reflect a discount of approximately 10% from the seller financed price. If a parcel is purchased for cash, the balance of the cash price is normally due within 30 days from the date of the Earnest Money Contract. For special situations,

we will occasionally extend the reservation period and closing date to allow for travel and inspection of the property.

We also offer a **FAST PAY OPTION**, which allows purchase at the cash price without interest if the balance is paid within one year or sooner of the contract date. With this option, the listed down payment is required and is followed by minimum monthly payments, which we will establish. Most clients are paying larger than minimum payments, or have a date in mind during the contract year when they will pay off with a balloon payment. If the buyer is unable to pay the full cash price over the agreed period, the contract reverts to our regular seller financed installment contract at a higher price with interest. Once we have received full payment, we execute a WARRANTY DEED, send it to the County for recording, and then send the original recorded deed to the buyer(s) by U. S. Mail. When possible, we include a plat map and one or more color photos of the property.

We offer Warranty Deeds, the best type of deed in Colorado. This type of deed warrants that we own the property, that there are no liens or encumbrances, and warrants "quiet enjoyment", a legal term meaning that we have to defend the title against any claims by third parties up to the amount of the purchase price. A Warranty Deed issued by a reliable entity (us) is as good as title insurance. However, purchasers may obtain title insurance and a tax certificate from a local title company for around \$200, which would have to be paid in addition to the down payment. Purchasers of Forbes Park parcels will also have to pay a \$200 transfer fee levied by the FPLOA and pro-rated dues.

If the property is purchased with our seller financing, we will prepare a **PURCHASE AGREEMENT AND INSTALLMENT CONTRACT**, with notarized signatures of both buyer(s) and seller(s). This contract is recorded in the county where the land is located and the original recorded contract will be mailed to the buyer(s). The first monthly payment is then due approximately 30 days after the end of the reservation period. We charge interest ranging from 10% to 12.8%.

Our Purchase Agreement and Installment Contract require regular monthly payments. Our contract states, that if these payments go into arrears for 90 days, we will send a certified notice to the purchaser(s) and if no satisfactory arrangements are made, a significant portion or all of the accumulated equity will be lost. To calculate cancellation costs during the first year of the contract, we will charge a re-stocking fee of \$1,000 plus 1.5% per month of the purchase price from the date of the original reservation. After one year, we may offer to re-purchase the land and negotiate a refund with the buyer(s).

It is important that installment buyers notify us as soon as possible if their monthly payments will be more than 16 days late. If a contract has to be cancelled because of hardship, purchasers should let us know as soon as possible to maximize their amount of equity and refund of down payment.

Remember, communicating with us is **VERY IMPORTANT**. During a 30-day reservation period, we may have another buyer waiting in the wings in second position to purchase the same parcel. So if you decide to cancel your reservation, **PLEASE LET US KNOW AS SOON AS POSSIBLE.**

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