TOWN OF PAGOSA SPRINGS COLORADO

AGENDA

Town Council Meeting
June 10, 2026 @ 6:00 PM

Town Hall 551 Hot Springs Blvd
Pagosa Springs, CO 81147

REMOTE PARTICIPATION

Join Zoom Meeting By Computer - https://us06web.zoom.us/j/84183643649
Dial by Phone - 1-669-900-6833 US - Meeting ID: 841 8364 3649

A Zoom link is made available. The Town cannot guarantee internet service or online broadcasting.
Remote participation is at the risk of attendees. The meeting will continue in person regardless of the broadcast capability.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. DISCLOSURES AND/OR CONFLICT OF INTEREST

IV. EXECUTIVE SESSION

1. **Executive Session per C.R.S. 24-6-402(4)(a): Discussion concerning the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest related to Project 102**

V. NEW BUSINESS

1. **Ordinance 1030 (Series 2026), First Reading, An Ordinance Authorizing the Acquisition of Real Property known as Masters Place Condominiums in Pagosa Springs, Colorado**
2. **Ordinance 1031 (Series 2026), First Reading, An Ordinance Authorizing the Acquisition of Real Property known as Village Point Condominiums in Pagosa Springs, Colorado**
3. **Ordinance 1032 (Series 2026), First Reading, An Ordinance Authorizing the Acquisition of Real Property known as Elk Run Townhomes in Pagosa Springs, Colorado**

VI. ADJOURNMENT

Public comment and agenda comment item sign-up sheets are available at the meeting
Copies of proposed Ordinances and Resolutions are available to the public from the Town Clerk

Shari Pierce
Mayor

AGENDA BRIEF

MEETING: Town Council Special Meeting
FROM: David Harris

PROJECT:	Ordinance 1030 (Series 2026), First Reading, An Ordinance Authorizing the Acquisition of Real Property known as Masters Place Condominiums in Pagosa Springs, Colorado
ACTION:	Discussion and Action

PURPOSE/BACKGROUND:

ATTACHMENTS:

1. Ordinance 1030 Authorizing Acquisition of Masters Place Condominiums Property Owners Association, Inc. (1)

TOWN OF PAGOSA SPRINGS, COLORADO

ORDINANCE NO. 1030
(SERIES 2026)

AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY KNOWN AS MASTERS PLACE CONDOMINIUMS IN PAGOSA SPRINGS, COLORADO

WHEREAS, the Town of Pagosa Springs ("Town") is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Pagosa Springs Home Rule Charter of 2003 as amended ("Charter"); and

WHEREAS, pursuant to Section 1.4 of the Charter, the Town has all the power of local self-government and home rule and all power possible for a municipality to have under the Constitution and laws of the State of Colorado; and

WHEREAS, pursuant to Section 12.19 of the Charter, the Town Council of the Town (the "Town Council") may by ordinance purchase, sell, exchange, receive by donation, enter into a lease for greater than two years, or dispose of any interest in real property including easements; and

WHEREAS, the Town Council desires to acquire certain real property known as the Masters Place Condominiums, 1093 Northlake Avenue, Units 7301 through 7320 and together with all common elements owned or associated with Masters Place Condominiums Property Owners Association, Inc., Pagosa Springs, Colorado (the "Property"); and

WHEREAS, the Property is currently subject to that certain bankruptcy proceeding Case No. 26-10313, filed in the US Bankruptcy Court for the District of Colorado, pursuant to which Masters Place Condominiums Property Owners Association, Inc. ("Seller") is seeking to sell the Property; and

WHEREAS, the Town Council hereby finds and determines that acquisition of the Property is appropriate and necessary to the function and operation of the Town and wishes to enter into the Purchase and Sale Agreement with Seller attached hereto as Exhibit A and incorporated herein by reference ("Contract") to purchase the Property for the purchase price set forth therein and, if the Property proceeds to auction, to authorize the Town Manager to increase the purchase price set forth therein (such purchase price, the "Purchase Price") and amend other terms of the Contract as appropriate.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, as follows:

Section 1. Incorporation of Recitals. The above Recitals are hereby incorporated into this Ordinance by this reference.

Section 2. Authorization of Contract. The Contract, in substantially the form attached as Exhibit A, is in all respects approved, authorized and confirmed. The Council hereby approves the purchase of the Property by the Town.

Section 3. Authorization of Earnest Money. Earnest Money, in an amount of 10% of Purchase Price is approved, authorized and confirmed.

Section 4. Authorization of Bid Amount. If the Property proceeds to auction as provided in the Sale Procedures approved in the bankruptcy proceeding, the Town Manager, in consultation with the Town's Finance Director, Financial Advisor, Development Director, Housing Coordinator, Town Attorney and Special Counsel, may increase the Purchase Price to an amount that can be reasonably financed so that project revenues will be equal to or exceed acquisition cost for the Property and amend other terms of the Contract as appropriate.

Section 5. Execution of Miscellaneous Documents. The Town Manager and/or the Mayor are authorized and directed to execute the Contract in substantially the form attached (and any appropriate amendments thereto) and related documents necessary to purchase the Property, for and on behalf of the Town. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Council or the Town on the Contract.

Section 6. Public Inspection. The full text of this Ordinance, with any amendments, is available for public inspection at the office of the Town Clerk.

Section 7. Severability. If any portion of this Ordinance is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

Section 8. Public Hearing. A public hearing on this Ordinance shall be held on the _____ day of _________________, 2026, at ____ p.m. at the Pagosa Springs Town Hall, 551 Hot Springs Boulevard, Pagosa Springs, Colorado.

Section 9. Effective Date. This Ordinance shall become effective and be in force immediately upon final passage at second reading.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, B) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE 10th DAY OF June, 2026.

TOWN OF PAGOSA SPRINGS, COLORADO

By:____________________________________
Shari Pierce, Mayor

ATTEST:

By:_________________________
April Hessman, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, D) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS [REGULAR/SPECIAL] MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE _______ DAY OF ________________, 2026.

TOWN OF PAGOSA SPRINGS, COLORADO

By:_________________________________
Shari Pierce, Mayor

ATTEST:

By:________________________
April Hessman, Town Clerk

EXHIBIT A

Purchase and Sale Agreement

CERTIFICATE OF PUBLICATION

I, the duly appointed, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. ___ (Series 2026) was approved by the Town Council of the Town of Pagosa Springs on first reading at its regular meeting held on the ____ day of ________, 2026, and was published by title only, along with a statement indicating that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on _________, 2026, which date was at least ten (10) days prior to the date of Town Council consideration on second reading.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this __ day of _________, 2026.

April Hessman, Town Clerk

(S E A L)

I, the duly appointed, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. ___ (Series 2026) was approved by the Town Council of the Town of Pagosa Springs on second reading, at its regular meeting held on the ___ day of ___________, 2026, and was published by title only, along with a statement indicating the effective date of the Ordinance and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on _____________, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this ___ day of _________, 2026.

April Hessman, Town Clerk

(S E A L)

STALKING HORSE PURCHASE AND SALE AGREEMENT

THIS STALKING HORSE PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of this 10th day of June, 2026 (the "Effective Date") by and between Masters Place Condominiums Property Owners Association, Inc. ("Seller" or "Property Association" or "Debtor"), and the Town of Pagosa Springs, a municipal corporation and political subdivision of the State of Colorado ("Purchaser"). Seller and Purchaser are sometimes referred to herein individually as a "Party", and collectively as the "Parties".

WHEREAS, Seller desires to sell certain property located at 1093 Northlake Avenue, Pagosa Springs, Colorado, consisting of 2 buildings containing 20 condominium units as more particularly described on **Exhibit A** attached hereto (the "Property" as defined below). The Property is operated as a timeshare resort.

WHEREAS, there are 20 condominium units at the Property, each of which contains 52-unit weeks resulting in a total of 1,040-unit weeks (or intervals) in the condominium (each, an "Interval"). Each Interval constitutes a tenant-in-common fee simple interest in the Property and, collectively, constitute the entire fee simple interest in the Property.

WHEREAS, all owners of Intervals are members of the Property Association ("Association Members").

WHEREAS, pursuant to a Special Warranty Deed dated September 3, 2025, the Property Association owns the following 20 Intervals:

• *Building 1, Units 7301, 7302, 7303, 7304, 7305, 7306, 7307, and 7308, Week 14; and*

• *Building 2, Units 7309, 7310, 7311, 7312, 7313, 7314, 7315, 7316, 7317, 7318, 7319 and 7320, Week 15.*

WHEREAS, the Special Warranty Deed was recorded on September 4, 2025, in the Clerk's Office as Reception No. 22503609 of the public records of Archuleta County, Colorado.

WHEREAS, a Corrective Special Warranty Deed which corrected a typographical error was dated December 30, 2025 and was recorded on January 8, 2026, in the Clerk's Office as Reception No. 22600069 of the public records of Archuleta County, Colorado.

WHEREAS, Seller owns the 20 referenced Intervals at the Property and a concomitant share of the common elements at the Property (the "Association Interest"), which comprises 1.92% of the total Intervals at the Property. (The Intervals owned by the Property Association are sometimes referred to as the maintenance weeks.) The Property Association owns the 20 referenced Intervals as a tenant-in-common with all other Interval owners.

WHEREAS, First American Trust, FSB, as Trustee, Duly Appointed Under the Declaration of Trust for the Club Wyndham Access Vacation Ownership Plan ("First American Trust") owns 267 Intervals at the Property, which is 25.67% of the total Intervals. WorldMark, the Club (the "Club") owns 301 Intervals at the Property, which is 28.94% of the total Intervals. Wyndham Vacation Resorts, Inc. ("WVR") owns 102 Intervals at the Property, which is 9.81% of the total Intervals. The remaining 350 Intervals (33.65% of the total Intervals) are owned by parties to corresponding contracts ("Interval Owners"), with each Interval having its own separate corresponding contract.

WHEREAS, First American Trust, the Club, WVR, and Interval Owners are all Association Members and own the Intervals.

WHEREAS, The Property is subject to the Declaration of Restrictions Second Replat of South Village Lake recorded in Book 190, at Page 760 in the Clerk's Office, and the Supplemental Declaration of Restrictions recorded in Book 201, at Page 15 in the Clerk's Office, and the Declaration of Restrictions Pagosa recorded on the June 24, 1970 in Book 122, Page 224 in the Clerk's Office – collectively, the "Master Declaration". The Master Declaration provides that the Property (Masters Place Condominiums) is a subdevelopment within a larger master development known as Fairfield Pagosa.

WHEREAS, The Master Declaration also provides that (i) Association Members are also members of the Master Association, and (ii) are obligated to make periodic payments to the Master Association for the "operation and use, of all recreational facilities, and other properties within the Subdivision as it may from time to time own or agree to maintain."

WHEREAS, on January 20, 2026, Seller filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado ("Bankruptcy Court"), which is administered under Case Number 26-10313 ("Bankruptcy Case"). The Debtor in the Bankruptcy Case is the Seller.

WHEREAS, on April 17, 2026, the Debtor filed (a) a *Motion for Entry of an Order (I) (A) Approving Auction and Bidding Procedures, (B) Authorizing the Debtor to Designate a Stalking Horse Bidder, (C) Scheduling Bid Deadlines and Auction, and (D) Approving the Form and Manner of Notice Thereof, and (II) Granting Related Relief* [ECF No. ##] (the "Sale Procedures Motion"), and (b) the Plan.

WHEREAS, the Bankruptcy Court granted the Sale Procedures Motion by order dated May 13, 2026 [ECF No. 142] (the "Sale Procedures Order").

WHEREAS, Seller has designated the Purchaser as a Qualified Bidder and the Stalking Horse Bidder (as each such term is defined in the Sale Procedures Order) for the purchase of the Property and has designated this Agreement as a Qualified Bid and the Stalking Horse Agreement (as each such term is defined in the Sale Procedures Order), each in accordance with the Sales Procedures Order.

WHEREAS, the Debtor intends to file one or more adversary proceedings in the Bankruptcy Case pursuant to section 363(h) of the Bankruptcy Code, pursuant to which Debtor will seek entry of orders and/or judgments authorizing the sale of all right, title and interest of Seller and all other Association Members in the Property (the "Section 363(h) Proceedings").

WHEREAS, Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, on the terms set forth in this Agreement, in accordance with and pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code").

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Recitations. The foregoing recitations are true and correct and are incorporated into this Agreement as if fully set forth herein.

1.2 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the meanings set forth in this Section 1.2. Any capitalized term in the Agreement that is not defined herein shall have the meaning ascribed to it in the Sale Procedures Order.

"Affiliate" means, with respect to the Person in question, any other Person that, directly or indirectly, (i) owns or controls fifty percent (50%) or more of the outstanding voting and/or equity interests of such Person, or (ii) controls, is controlled by or is under common control with, the Person in question. For the purposes of this definition, the term "control" and its derivations means having the power, directly or indirectly, to direct the management, policies or general conduct of business of the Person in question, whether by the ownership of voting securities, contract or otherwise.

"Alternative Transaction" means any transaction or series of related transactions with any party(ies) other than Purchaser, pursuant to which Seller sells, transfers or otherwise disposes of all or any portion of the Property, including through a sale transaction or a plan of reorganization approved by the Bankruptcy Court.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other Applicable Law addressing or in any way relating to terrorist acts and acts of war.

"Applicable Law" means (i) all federal, state, and local statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority, stock exchange, board of fire underwriters and similar quasi-governmental authority, and (ii) any judgment, injunction, order or other similar requirement of any court or other adjudicatory authority, in effect at the time in question and in each case to the extent the Person or property in question is subject to the same.

"Association" shall mean, only for purposes of Section 2.6 hereof, the Property Association and the Master Association.

"Assumed Liabilities" has the meaning set forth in Section 2.4 hereof.

"Auction" shall have the meaning set forth in the Sale Procedures Order.

“Back-Up Bidder” shall have the meaning set forth in the Sale Procedures Order.

“Business Day(s)” shall mean every day other than (i) Saturdays, (ii) Sundays, (iii) all days observed by the Federal Government of the United States as legal holidays and (iv) all days on which commercial banks in Colorado are required by law to be closed.

“Casualty” has the meaning set forth in Section 13.1 hereof.

“Closing” has the meaning set forth in Section 10.1 hereof.

“Closing Condition Date” has the meaning set forth in Section 10.1 hereof.

“Closing Date” has the meaning set forth in Section 10.1 hereof.

“Closing Statement” means a closing statement prepared by the Title Company in connection with Closing.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any regulations, rulings and guidance issued by the Internal Revenue Service.

“Community” shall mean, only for purposes of Section 2.6 hereof, the common interest community administered by the Property Association and the common interest community administered by the Master Association.

“Condemnation” has the meaning set forth in Section 13.2 hereof.

“Confirmation Order” means a Final Order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

“Contracts” means, collectively, the Leases and Executory Contracts and any written or oral note, bond, mortgage, contract, license, lease, sublease, covenant, commitment, power of attorney, proxy, indenture, or other binding agreement or arrangement.

“COPs” has the meaning set forth in Section 4.3 hereof.

“Cure Amounts” or “Cure Costs” mean the aggregate monetary sum required to be paid to the counterparties under the Purchased Contracts to be assigned by the Seller and assumed by Purchaser in accordance with Section 2 hereof.

“Deeds” has the meaning set forth in Section 10.2.1(a) hereof.

“Earnest Money” means, at the time in question, the Earnest Money Deposit (as defined in Section 3.2.1 hereof) (and any additional amounts as may be deposited with Escrow Agent), together with all interest and any other amounts earned thereon.

“Earnest Money Escrow Agreement” has the meaning set forth in Section 3.2.1 hereof.

“Environmental Claims” means all claims for reimbursement, remediation, abatement, removal, clean up, contribution, personal injury, property damage or damage to natural resources made by any Governmental Authority or other Person arising from or in connection with the (i) presence or actual or potential spill, leak, emission, discharge or release of any Hazardous Substances over, on, in, under or from the Property, or (ii) violation of any Environmental Laws with respect to the Property.

"Environmental Laws" means any Applicable Laws which regulate the manufacture, generation, formulation, processing, use, treatment, handling, storage, disposal, distribution or transportation, or an actual or potential spill, leak, emission, discharge or release of any Hazardous Substances, pollution, contamination or radiation into any water, soil, sediment, air or other environmental media, including, without limitation, (a) the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §§ 9601 et seq.) ("CERCLA"); (b) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.) ("RCRA"); (c) the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq. (1969), as amended); (d) the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.); (e) the Clean Air Act (42 U.S.C. §§ 7401 et seq.); (f) the Clean Water Act (33 U.S.C. §§ 1251 et seq.); (g) the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); (h) the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.); (i) any state, county, municipal or local Applicable Laws similar or analogous to the federal statutes listed in parts (a)-(h) of this definition; and (j) any rules, regulations, directives, or orders pursuant to or implementing the Applicable Laws listed in parts (a)-(i) of this definition.

"Escrow Agent" means Bank of the San Juans.

"Executory Contract" means any existing executory contract or unexpired lease of personal property between any Seller and any other Person or Persons regarding the Property.

"Executory Contract Order" means a Final Order, in form and substance reasonably acceptable to Purchaser, granting the Assumption/Rejection Motion as defined below.

"Final Order" means an Order of the Bankruptcy Court or a court of competent jurisdiction to hear appeals from the Bankruptcy Court that has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing shall then be pending; provided, however, that the possibility that a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.

"Governmental Authority" means any federal, state or local government or other political subdivision thereof, including, without limitation, any Person exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question. For the avoidance of doubt, Governmental Authority shall include any government agency or body responsible for enacting tax laws, assessing taxes, enforcing tax compliance, or collecting tax revenue.

"Hazardous Substances" means all substances, chemicals, wastes, materials, pollutants, or contaminants defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National

Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as hazardous or toxic by, or regulated as such under, any applicable Environmental Law, including RCRA hazardous wastes, CERCLA hazardous substances, asbestos, toxic mold, and polychlorinated biphenyls.

"Land" has the meaning set forth in Section 2.1.1 hereof.

"Lease" means any lease, master lease, sublease or sub-sublease, letting, license, sublicense or sub-sublicense, concession, or other agreement (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy, all or any portion of the Property, and every modification, amendment, or other agreement (whether written or oral) relating to such lease, license, or other agreement entered into in connection with such lease, license, or other agreement, whether in existence before or after the Petition Date. A list of "Unexpired Leases" is attached at **Exhibit B** hereto.

"Liability" or "Liabilities" means any liability, obligation, damage, loss, diminution in value, cost or expense of any kind or nature whatsoever, whether accrued or unaccrued, actual or contingent, known or unknown, foreseen or unforeseen.

"Lien" means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any "lien" as defined in Section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

"Master Association" means the Pagosa Lakes Property Owners Association, a Colorado nonprofit corporation.

"Material Casualty" has the meaning set forth in Section 13.1.1 hereof.

"Material Condemnation" has the meaning set forth in Section 13.2.1 hereof.

"Order" means an order or judgment entered in the Bankruptcy Case (or in any adversary proceeding filed in the Bankruptcy Case) by the Bankruptcy Court as entered on the docket for the Bankruptcy Case (or adversary proceeding) as well as any writ, judgment, decree, award, ruling, subpoena, verdict, injunction or similar order of any Governmental Authority (in each such case whether preliminary or final).

"Permitted Exception(s)" has the meaning set forth in Section 5.3 hereof.

"Person" means any natural person, corporation, general or limited partnership, limited liability company, association, joint venture, trust, estate, Governmental Authority or other legal entity, in each case whether in its own or a representative capacity.

"Petition Date" means January 20, 2026, the date upon which the Debtor filed a petition commencing the Bankruptcy Case.

"Plan" means the *Plan of Liquidation* [ECF No. 129] filed in the Bankruptcy Case, as same may be modified, amended or supplemented from time to time.

"Property" has the meaning set forth in Section 2.1 hereof.

"Property Association" has the meaning set forth in the Preamble hereof.

"Prorations" has the meaning set forth in Section 11.1 hereof.

"Rejected Contract(s)" means those Executory Contracts and Leases which are rejected by the Debtor pursuant to Section 365 of the Bankruptcy Code.

"Rejection Claim" means any claim under the Bankruptcy Code that arises in favor of the third party to any Executory Contract or Lease that is a Rejected Contract.

"Related Bankruptcy Cases" means the Chapter 11 bankruptcy cases of the Related Debtors, administered under Case Numbers 26-10311 and 26-10314, each pending in the Bankruptcy Court.

"Related Debtor Bids" means the bids submitted by Purchaser in connection with the Related Debtor Sales.

"Related Debtor Sales" mean sales of the property of the Related Debtors pursuant to procedures substantially similar to the Sale Procedures.

"Related Debtors" means Elk Run Property Owners Association, Inc. and Village Pointe Property Owners Association, Inc., as Chapter 11 debtors in possession in the Related Bankruptcy Cases.

"Release" means any release, spill, emission, discharge, leaking, leaching, pumping, pouring, dumping, emptying, injection, deposit, disposal of or migration into or through the indoor or outdoor environmental medium or into or out of any property.

"Sale Motion" shall mean a motion that seeks entry of the Sale Order

"Sale Order" shall mean a Final Order of the Bankruptcy Court, in form and substance reasonably satisfactory to Purchaser, approving this Agreement and the sale of the Property to Purchaser pursuant to Section 363(f) of the Bankruptcy Code and authorizing Debtor to sell, assign, and transfer all right, title and interest of Seller and all other Association Members in the Property, free and clear of all Liens, interests, encumbrances and claims (including successor liability claims) other than the Permitted Exceptions.

"Sale Procedures" means the auction and bidding procedures set forth in the Sale Procedures Order.

"Section 363(h) Proceedings" shall have the meaning set forth in the recitals hereto.

"Section 363(h) Proceeding Judgments" shall mean the Final Orders of the Bankruptcy Court entered in the Section 363(h) Proceedings, in form and substance reasonably satisfactory to Purchaser, authorizing Seller to sell, assign and transfer all right, title and interest of Seller and all other Association Members in the Property pursuant to Section 363(h) of the Bankruptcy Code.

"Seller Parties" means, collectively, Seller and each of the other Association Members.

"Stalking Horse Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Stalking Horse Motion" shall mean a motion, in form and substance acceptable to Purchaser, that seeks entry of the Stalking Horse Order.

"Stalking Horse Order" shall mean a Final Order of the Bankruptcy Court, in form and substance reasonably acceptable to Purchaser, that, among other things, (a) approves Seller's designation of Purchaser as a Qualified Bidder and the Stalking Horse Bidder, (b) approves Seller's designation of this Agreement as a Qualified Bid and the Stalking Horse Bid, (c) approves payment of the Break-Up Fee and the Expense Reimbursement as superiority administrative expense claims pursuant to Sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code on the terms and conditions contained in this Agreement, and (d) authorizes Purchaser to receive credit for the amount of the Break-Up Fee and the maximum Expense Reimbursement amount in connection with any subsequent bid it makes for the Property.

"Stalking Horse Protections" shall have the meaning set forth in Section 12.3 hereof.

"Successful Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Taxes" means any federal, state, local or foreign, real property, personal property, sales, use, room, occupancy, ad valorem (real or personal property) or similar taxes, assessments, levies, charges or fees imposed by any Governmental Authority on Seller with respect to the Property, including any assessment, interest, penalty or fine with respect thereto, but expressly excluding any (i) federal, state, local or foreign income, capital gain, gross receipts, capital stock, franchise, profits, estate, gift or generation skipping tax or (ii) transfer, documentary stamp, recording or similar tax, levy, charge or fee incurred with respect to the transaction described in this Agreement.

"Tenant" means a Person counterparty to a Lease entered into with the Seller.

"Title Commitments" has the meaning set forth in Section 5.1 hereof.

"Title Company" means First National Title Insurance Company.

"Unpermitted Exceptions" has the meaning set forth in Section 5.3 hereof.

1.3 Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

1.3.1. All references herein to articles or sections without reference to a specific document are references to articles or sections of this Agreement.

1.3.2. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement in its entirety and not the article or section of this Agreement in which they appear.

1.3.3. The word "including" means "including but not limited to."

1.3.4. All Recitals and Exhibits to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement.

ARTICLE II
THE PROPERTY AND LIABILITIES

2.1 Description of the Property. Subject to the terms set forth in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Purchaser, and Purchaser shall purchase and accept from Seller, all right, title and interest of Seller and all other Association Members in and to the property and assets set forth in this Section 2.1 (collectively, the "Property"):

2.1.1. all of the fee simple interest in, to and under the land described in **Exhibit A** attached hereto, (collectively, the "Land");

2.1.2. all right, title and interest in, to and under all privileges and easements appurtenant to the Land, including, without limitation, right, title and interest of Seller and all other Association Members in, on and under the Land, all easements, rights of way or other appurtenances used or useful in connection with the beneficial use and enjoyment of the Land, all development rights and credits, including air rights, if any, all strips and gores, streets, alleys, easements, rights-of-way, public ways, or other rights appurtenant, adjacent, or connected to the Land, and all assignable permits, licenses, approvals and authorizations issued by any Governmental Authority, quasi-governmental authority or utility provider (collectively, the "Appurtenances");

2.1.3. all right, title and interest in and to all improvements and fixtures located on the Land, including, without limitation, all furniture, fixtures, and appliances (to the extent the same are fixtures) located in the 20 units that comprise the Property together with all buildings and structures located on the Land (collectively, the "Improvements");

2.1.4. subject to the provisions of Section 2.2 hereof, all right, title and interest of Seller and all other Association Members in and to the Executory Contracts and Unexpired Leases identified on **Schedule 1** and **Schedule 2**, respectively, attached hereto;

2.1.5. subject to the provisions of Section 2.2 hereof, all leases and purchase money security agreements for any equipment, machinery, vehicles, furniture or other personal property located at the Property, together with all deposits made thereunder, to the extent the same and such deposits are transferable or the Parties obtain any consent necessary to effectuate such a transfer (collectively, the "Equipment Leases") each of which are referenced on **Schedule 3** attached hereto;

2.1.6. all right, title and interest in and to water, water rights, raw water and irrigation rights and shares in any ditch, reservoir, water or similar company, relating to the Land;

2.1.7. all right, title and interest in and to minerals, oil, gas, and other hydrocarbon substances in, under, or that may be produced from the Land, if any; and

2.1.8. (a) all improvement plans, drawings and specifications (including, without limitation, CAD files), and all credits and reimbursements relating to the Property; (b) all books, records, reports, test results, environmental assessments, if any, as-built plans, specifications, and other similar documents and materials relating to the use, operation, maintenance, repair, construction, or fabrication of all or any portion of the Property; (c) all transferable architectural, site, landscaping or other permits, applications, approvals, authorizations, and other entitlements affecting any portion of the Property; (d) all transferable guarantees, warranties, and utility contracts relating to all or any portion of the Property; and (e) all utility fees and deposits, utility line extension reimbursements and other reimbursements, all to the extent in Seller's possession or control.

2.2 Executory Contracts and Unexpired Leases.

2.2.1. Purchaser hereby designates the Executory Contracts, Unexpired Leases, and Equipment Leases identified on **Schedule 1, Schedule 2, and Schedule 3** hereto as "Purchased Contracts" under this Agreement. Any Executory Contracts, Unexpired Leases, and Equipment Leases that are not identified on **Schedule 1, Schedule 2, and Schedule 3** hereto shall be deemed an "Excluded Contract" under this Agreement. Any Excluded Contract may be assumed or rejected by Seller in its sole discretion.

2.2.2. Within three (3) Business Days after the completion of the Auction, the Seller shall file a motion with the Bankruptcy Court regarding the proposed assumption or rejection of Purchased Contracts and Excluded Contracts (the "Assumption/Rejection Motion"). The Assumption/Rejection Motion shall provide all applicable counterparties with (i) notice of the proposed treatment of their respective executory contract(s) or unexpired lease(s); (ii) the amount to be paid, if any, to cure any existing default(s) – the Cure Costs; (iii) establishing deadlines for objection to the proposed treatment of the executory contract and/or unexpired lease as set forth in the Assumption/Rejection Motion, including payment of the Cure Costs; and (iv) establishing a hearing date for the resolution of any filed objections to the Assumption/Rejection Motion.

2.2.3. Subject to entry of the Executory Contract Order, on the Closing Date the Purchased Contracts shall be deemed assumed by the Seller and assigned to Purchaser pursuant to Sections 365(b)(l)(A) and (B) and 365(f) of the Bankruptcy Code. In addition to the Purchase Price, Purchaser shall assume all obligations and Liabilities under the Purchased Contracts, including any Cure Amounts allowed by Final Order. For the avoidance of doubt, after the Closing Seller shall not be responsible for compliance with any Purchased Contract and shall not be responsible for any costs associated therewith. If there are any costs or fees associated with the assignment of a Purchased Contract to Purchaser, Purchaser shall be responsible for payment of all such costs and fees. All Cure Costs shall be the responsibility of Purchaser, in addition to the Purchase Price and payment of Cure Costs shall not be credited against or deducted from the Purchase Price.

2.2.4. Purchaser shall have no Liabilities for any Cure Costs or Rejection Claim of a counterparty to an Excluded Contract.

2.2.5. Notwithstanding the foregoing, so long as an Excluded Contract has not been rejected by the Seller pursuant to Section 365 of the Bankruptcy Code and Final Order of the Bankruptcy Court, Seller shall, upon written request by Purchaser, seek to assign such Excluded Contract to Purchaser, and Purchaser shall assume the same in accordance with Sections 2.2 hereof.

2.3 Cure Costs. Subject to the entry of the Executory Contract Order, Cure Costs shall be paid at the Closing (or in the case of a dispute, the disputed amount shall be escrowed at the Closing with the Escrow Agent pursuant to an escrow arrangement reasonably acceptable to Seller and Purchaser).

2.4 Assumed Liabilities. At Closing, Purchaser shall assume all Liabilities arising or occurring from and after the Closing with respect to the Property and the Purchased Contracts, but expressly excluding the Retained Liabilities (all Liabilities, except for the Retained Liabilities, shall be referred to herein as "Assumed Liabilities").

2.5 Retained Liabilities. At Closing, Seller shall retain all Liabilities to the extent arising or occurring prior to the Closing Date with respect to the Property, the Purchased Contracts or the Excluded Contracts (the "Retained Liabilities").

2.6 Owner's Association.

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

2.6.2 Association Documents to Purchaser. Upon Purchaser's written request, Seller shall provide to Purchaser the requested Association Documents (defined below), at Seller's expense, within five (5) Business Days after Purchaser's request. Seller authorizes the Association to provide the Association Documents to Purchaser, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Purchaser's receipt of the requested Association Documents, regardless of who provides such documents.

2.6.3 Association Documents. Association documents ("Association Documents") may consist of any of the following:

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

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

(C) List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, 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);

(D) 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;

(E) 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 (§§ (D) and (E), collectively, Financial Documents);

(F) 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 including any problems or defects in the common elements or limited common elements of the Association property.

2.7 Survival. The Parties rights and obligations under this Article II shall survive the Closing.

ARTICLE III
PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Property is Two Million Three Hundred Seventy-Six Thousand and 00/100 Dollars ($2,376,000) (the "Purchase Price"), as adjusted by the prorations and adjustments provided elsewhere in this Agreement.

3.2 Earnest Money.

3.2.1. Earnest Money Deposit. Upon the latest of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder, Purchaser shall deposit with Escrow Agent the sum which is equal to five percent (5%) of the Purchase Price (the "Earnest Money Deposit"). In the event that Purchaser is subsequently selected as the Successful Bidder or the Back-Up Bidder after the conclusion of the Auction, Purchaser shall increase the Earnest Money Deposit to ten (10%) of the Purchase Price within two (2) Business Days after the conclusion of the Auction. The Earnest Money Deposit shall be held by Escrow Agent in escrow as earnest money pursuant to the escrow agreement in substantially the form attached hereto as **Exhibit C**, entered into among Seller, Purchaser and Escrow Agent (the "Earnest Money Escrow Agreement"). Escrow Agent shall hold the Earnest Money Deposit in an interest-bearing account insured by the FDIC or in short-term debt instruments issued by the Treasury of the United States. Such account or debt instruments shall have no penalty for early withdrawal. The Earnest Money Deposit shall be maintained by the Escrow Agent to comply with the requirements of the Bankruptcy Court and the Sale Procedures Order. **EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE EARNEST MONEY DEPOSIT SHALL BE NONREFUNDABLE TO PURCHASER.**

3.2.2. Disbursement of Earnest Money. At Closing, the Earnest Money shall be applied to the Purchase Price. If this Agreement is terminated for any reason and Purchaser is not entitled to a refund of the Earnest Money pursuant to the express provisions of this Agreement, the Earnest Money shall be disbursed in accordance with the provisions of the Earnest Money Escrow Agreement and/or other applicable Order. If this Agreement is terminated by Purchaser pursuant to Sections 4.3, 5.3, 5.4. 9.1.2, 9.2.2, 9.4, 12.1, 13.1.1, or 13.2.1, the Earnest Money shall be refunded to Purchaser within five (5) Business Days of such termination. Seller and Purchaser shall deliver joint written instructions to the Escrow Agent to release the Earnest Money in accordance with this Section 3.2.2. This Section 3.2.2 shall survive the termination of this Agreement.

3.3 Payment of Purchase Price. At Closing, Purchaser shall deposit with Escrow Agent, in immediately available funds, an amount equal to the Purchase Price as adjusted by the prorations and adjustments provided elsewhere in this Agreement and less the Earnest Money.

3.4 Disbursement of Earnest Money and Purchase Price. The Purchase Price, inclusive of the Earnest Money, shall be distributed by the Escrow Agent in accordance with the provisions of the Sale Order and/or other applicable Order.

3.5 Like-Kind Exchange.

Notwithstanding anything to the contrary in this Agreement, each Party acknowledges and agrees that the other Party or Parties (as the case may be) has the right to designate this transaction to qualify as a tax-free exchange under Section 1031 of the Code, and that Purchaser shall have the right to assign this Agreement to a "qualified intermediary" (as defined in Treas. Reg. § 1.1031(k)-1(g)(4) of the Code) or such other entity or entities as is necessary to carry out a 1031 exchange. Each Party shall execute and deliver such documents as may reasonably and customarily be required to complete the transactions contemplated by any such tax-free exchange, which are in form and substance reasonably acceptable to the other applicable Parties, and otherwise cooperate in all reasonable respects with respect to such tax-free exchange, provided that (i) Seller shall not be required to take title to any property, and (ii) neither such tax-free exchange nor Seller's cooperation therewith shall result in any delay to the Closing, nor the imposition of any cost or liability upon Seller or Purchaser, as the case may be.

ARTICLE IV
CONTINGENCIES

4.1 Contingencies. Purchaser acknowledges and agrees that Purchaser has completed all of its due diligence investigations with respect to the Property and is satisfied with the same. For the avoidance of doubt, it is expressly understood and agreed to by Purchaser that there is no due diligence or financing contingency, or other contingency under this Agreement, which gives Purchaser a right of termination, except as provided in Section 4.3. Purchaser's only termination rights are set forth in Sections 4.3, 5.3, 5.4, 9.1.2, 9.2.2, 9.4, 12.1, 13.1.1, and 13.2.1 hereof.

4.2 Ordinance Adoption. Purchaser's obligations under this Agreement shall be contingent upon (a) the approval of an ordinance approving this Agreement by Purchaser (the "Ordinance"), and (b) the Ordinance becoming final and effective (such events, the "Ordinance Adoption"). Purchaser shall commence the process for obtaining approval of the Ordinance upon the latest of (a) Purchaser's execution of this Agreement, (b) Seller's designation of Purchaser as the Stalking Horse Bidder, and (c) entry of the Stalking Horse Order. If Ordinance Adoption has not occurred within forty-five (45) days after commencement of the process for obtaining approval of the Ordinance, Seller may terminate this Agreement, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3 hereof and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination.

4.3 Bond Financing. Purchaser intends to issue Certificates of Participation ("COPs") in an amount sufficient to finance the acquisition of the Property and the property identified in the Related Debtor Bids. In connection with the issuance of the COPS, Purchaser will obtain a credit rating for the issuance of the COPs by no later than January 31, 2027. Purchaser shall use best efforts to obtain a credit rating from a nationally recognized rating organization of not less than BBB. In the event that Purchaser receives a credit rating of less than BBB from a nationally recognized rating organization for the issuance of the COPs, then Purchaser, by notice to Seller no later than five (5) Business Days following receipt of its credit rating, may elect to terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with

Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination.

ARTICLE V
TITLE TO THE PROPERTY

5.1 Title Commitments and Surveys. Purchaser, at its sole cost and expense, will expeditiously obtain a commitment for an owner's title insurance policy (or policies, as the case may be) for the Property from the Title Company (collectively, the "Title Commitment"). Seller shall provide Purchaser with copies of all title reports, title commitments, title policies, and surveys related to the Property to the extent in the possession of Seller.

5.2 Exceptions to Title. Except as provided in this Agreement or otherwise accepted by Purchaser in writing, the sale of the Property to Purchaser hereunder shall be subject to the Permitted Exceptions defined below but otherwise free and clear of any Liens, claims, encumbrances, and interests and shall transfer all interests of all Association Members in the Property to Purchaser.

5.3 Permitted Exceptions and Unpermitted Exceptions. Within five (5) Business Days of its receipt of the Title Commitment (and each update thereto), Purchaser shall give written notice to Seller (the "Exception Notice") of all of Purchaser's exceptions to title which Purchaser is unwilling to take title subject to (the "Unpermitted Exceptions"). Any exception to title not raised as an Unpermitted Exception shall be deemed permitted (the "Permitted Exception(s)"). The Property's subjection to the Master Declaration shall be a Permitted Exception. Other than Permitted Exceptions, Seller shall notify Purchaser within seven (7) Business Days after receipt of an Exception Notice whether it will cure the Unpermitted Exceptions listed therein. If Seller fails to timely notify Purchaser that Seller will cure all Unpermitted Exceptions, Seller shall be deemed to have elected not to cure all Unpermitted Exceptions. If Seller notifies Purchaser that Seller will not cure all Unpermitted Exceptions (or is deemed to have elected not to cure all Unpermitted Exceptions per the previous sentence), then, within five (5) Business Days thereafter, Purchaser shall, by notice to Seller either (i) elect to terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination, or (ii) accept any Unpermitted Exceptions that Seller will not cure as Permitted Exceptions, which acceptance (absent agreement of the Parties to the contrary) shall be without any reduction to the Purchase Price. Purchaser shall cause copies of all updates and/or continuations of the Title Commitments to concurrently be delivered to Seller's attorneys. Purchaser acknowledges and agrees that Purchaser shall be obligated to take title to the Property and complete the Closing subject to all Permitted Exceptions.

5.4 Failure to Cure. If Seller elects to cure any Unpermitted Exceptions, Seller shall have until the Closing Date (as the same may be adjourned, extended, or postponed by Seller or Purchaser pursuant to the terms hereof) to cure any such Unpermitted Exceptions. Cure may be provided by a title endorsement in form and content reasonably satisfactory to Purchaser. In the event that Seller shall be unable to deliver title as required under this Article V, including without limitation, the curing of any Unpermitted Exceptions, Purchaser's sole and exclusive right shall be either to (i) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination, or (ii) proceed to Closing pursuant to this Agreement and accept title to the Property subject to the Unpermitted Exceptions, which thereafter shall be deemed to constitute Permitted Exceptions and (absent agreement of the Parties to the contrary) shall be without any reduction to the Purchase Price. Notwithstanding anything to the contrary set forth in this Agreement, Seller shall have the right extend the Closing Date for a period of up to sixty (60) days in order to effect the cure of any Unpermitted Exceptions.

5.5 Conveyance of the Property. At Closing, Seller shall convey insurable fee simple title (as determined by the Title Company) to the Property, subject to all Permitted Exceptions and otherwise in accordance with the terms of the Plan, the Sale Order and/or other applicable Order.

5.6 Section 363 and 365 Transaction. Purchaser's acquisition of the Property shall be free and clear of all rights, Liens, claims, interests and encumbrances of any kind, including without limitation those which have been or which could be asserted by any Association Member, pursuant to Section 363 of the Bankruptcy Code, including without limitation Bankruptcy Code Sections 363(b), (f), (h) and (m). The sale shall include all interests held by co-owners of the Property pursuant to Section 363(h) of the Bankruptcy Code, including any Association Member. Purchased Contracts shall be assumed and assigned pursuant to Section 365 of the Bankruptcy Code. Seller shall be responsible for timely giving all notices to any person or entity as required under the Bankruptcy Code and other Applicable Law, and such timely and effective notice shall be a condition to closing. Without limiting the generality of the foregoing, actual notice shall be given to any known creditors, other persons asserting any rights, Liens, claims, and interests in the Property (including Association Members) and counterparties to any Purchased Contract.

ARTICLE VI
CONDITION OF THE PROPERTY

6.1 Remediation Activities and Permits.

6.1.1. Current Regulatory Status of Property. A summary of the regulatory history and environmental condition of the Property is set forth in the informational documents listed in **Exhibit D**, which Purchaser acknowledges receiving from Seller or its consultants prior to the execution of this Agreement.

6.1.2. Remediation Activities. Purchaser shall be solely responsible at its sole cost and expense for completing any required remediation of environmental conditions at the Property which may exist as of the Closing Date and which may arise thereafter ("Remediation Activities").

6.2 Release and Indemnity. By accepting Seller's deeds at Closing, Purchaser irrevocably waives and releases, on behalf of Purchaser, Purchaser's agents, Purchaser's affiliates, agents, and all successors in title to the Property, any claims against Seller (and against Seller's members, managers, officers, representatives) as owner, operator or otherwise, arising out of or in connection with any conditions, including environmental and subsurface conditions, whether known or unknown, latent or apparent, and whether such claims are based on or sound in contract, tort, statute, common law liability, contribution, indemnity, strict liability or any other theory or cause of action. Further, Purchaser shall indemnify, defend and hold Seller harmless in respect of any and all claims, proceedings, losses, damages, liabilities and expenses, whether or not due and payable, asserted against, incurred or suffered by Seller due to any environmental condition alleged to have arisen after Closing or from the exacerbation after Closing of a condition of the Property that existed prior to Closing, up to the limits of Purchaser's applicable insurance, but only to the extent of insurance proceeds recovered by Purchaser. For the avoidance of misunderstanding, Seller understands that Purchaser is prohibited by Applicable Law from providing indemnification, defense, or hold harmless that requires the expenditure of funds by Purchaser and this Section 6.2 shall never be construed or interpreted to require the expenditure of funds by Purchaser.

6.3 'AS-IS', 'WHERE IS' Condition. Purchaser acknowledges and agrees that (a) the purchase of the Property shall be on an "As Is", "Where Is", "With All Faults" basis, subject to wear and tear from the Effective Date until Closing Date, and (b) except as expressly set forth in this Agreement, Seller has no obligation to repair any damage to or defect in the Property, replace any of the Property or otherwise remedy any matter affecting the condition of the Property. Upon Closing, Purchaser shall assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Purchaser's investigations, and Purchaser, upon Closing, except as otherwise expressly set forth in this Agreement, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any Applicable Laws (including, without limitation, any environmental laws) and any and all other acts, omissions, events, circumstances or matters regarding the Property. Seller agrees to maintain the Property in substantially the same condition as it is in as of the Effective Date of this Agreement to the Closing. Without limiting the generality of the immediately preceding sentence, Seller shall perform the tasks set forth on **Exhibit E** until the Closing; the performance of such tasks is a material obligation of Seller under this Agreement without which Purchaser would be unwilling to enter into this Agreement.

6.4 Inspection by Purchaser. Upon reasonable notice to Seller, Purchaser shall have the right from time to time to inspect the Property. Seller shall have the right, but no obligation, to have a representative accompany Purchaser during an inspection, but Seller shall not unduly delay inspections by Purchaser in order to provide a Seller representative.

6.5 OIL, GAS, WATER AND MINERAL DISCLOSURE

6.5.1. 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.

6.5.2. 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.

6.5.3. 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.

6.5.4. ADDITIONAL INFORMATION. PURCHASER 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.

6.6 No Reliance on Seller. Purchaser is entering into this Agreement on the basis of Purchaser's own independent evaluation and investigation, and Purchaser does not rely on any statement or representation by Seller or any of Seller's representatives. Notwithstanding anything to the contrary, Seller is not making, and specifically disclaims, any representations, warranties or covenants of any kind or character, express or implied, with respect to the operational, environmental or physical condition of the Property, including, but not limited to, representations, warranties or covenants as to: (a) matters of title, zoning, permitted uses, tax consequences, physical or environmental conditions (including but not limited to Purchaser's phase one environmental assessment), availability of access, ingress or egress, operating projections, valuations, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the operational, environmental or physical condition of the Property; (b) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Property; (c) the Property's compliance or non-compliance with Environmental Laws applicable to the Property or the presence or absence of hazardous or toxic materials, wastes or substances on, at or under the Property or migrating to or from the Property; or (d) the manner, quality, state of repair or lack of repair of the Property.

6.7 Survival. The provisions of this Article VI shall survive Closing.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

7.1 Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Purchaser, which shall be deemed restated by Seller at Closing; Seller

acknowledges and agrees that Purchaser is entitled to rely upon the following representations and warranties:

7.1.1. Organization and Authority. Subject to entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments, (i) Seller has full power and authority to execute and deliver (or ensure the execution and delivery of) this Agreement and all other documents to be executed and delivered by or on behalf of the Seller Parties pursuant to this Agreement (collectively, the "Seller Documents"), and to perform the obligations of the Seller Parties under each of the Seller Documents, (ii) the execution and delivery of each of the Seller Documents on behalf of the Seller Parties, and the performance by each of the Seller Parties of its obligations under each of the Seller Documents, has been (or as of Closing will be) duly and validly authorized by all necessary action, and (iii) each of the Seller Documents, when executed and delivered, will constitute the legal, valid and binding obligations of the Seller Parties enforceable against the Seller Parties in accordance with their terms, except to the extent Purchaser is in default thereunder.

7.1.2. No Conflicting Agreements. The execution and delivery by Seller of, and the performance of and compliance by Seller with, the terms and provisions of this Agreement, do not (a) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, Seller's by-laws, or any other agreement or instrument to which Seller is a Party or by which all or any part of the Property is bound, (b) violate any restriction, requirement, covenant or condition to which all or any part of the Property is bound, (c) constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance or rule applicable to Seller or the Property, (d) constitute a violation of any judgment, decree or order applicable to Seller or specifically applicable to the Property, or (e) following entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments, require the consent, waiver or approval of any third party.

7.1.3. Title. To the best of Seller's knowledge, there are no unrecorded or undisclosed documents or other matters which affect title to the Property. Subject to entry of the Stalking Horse Order, the Sale Order, the Executory Contracts Order, and the Section 363(h) Proceeding Judgments, Seller has the full power and authority to transfer good, valid and insurable title to the Property, free and clear of any Liens, claims, encumbrances, and interests, but subject to Permitted Exceptions.

7.1.4. FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445(f) of the Code.

7.1.5. Condemnation Proceedings/Property Damage. There are no presently pending or, to the best of Seller's knowledge, contemplated proceedings to condemn the Property or any part of it.

7.1.6. Option to Purchase. Seller has not granted (and, to the best of Seller's knowledge, no other Association Member has granted) any option or other right to purchase or otherwise acquire any portion of the Property, or any interest therein, to any

party except Purchaser pursuant to this Agreement and there are no existing and outstanding agreements affecting or relating to the Property, including, but not limited to, agreements for the sale of the Property (or any portion thereof), option agreements, leases, licenses, or powers of attorney, to which the Seller is a party or by which the Seller or the Property is bound.

7.1.7. Environmental Matters.

(a) Seller has delivered to Purchaser copies of all material, non-privileged reports, assessments, audits, studies, analyses, and tests initiated by or on behalf of or in the possession of Seller pertaining to the environmental condition of, or any Hazardous Substance in, on, or under, the Property or concerning compliance by Seller with Environmental Laws.

(b) This Section 7.1.7 contains the sole and exclusive representations and warranties of Seller with respect to matters arising under Environmental Laws or any other environmental matters.

7.1.8. Anti-Terrorism. None of Seller's property or interests is subject to being "blocked" under any Anti-Terrorism Laws and neither Seller nor any Person holding any direct or indirect interest in Seller is in violation of any Anti-Terrorism Laws. Neither Seller nor any of their Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become: (a) a person or entity, or owned or controlled by a person or entity, with whom U.S. persons or entities are restricted from doing business, or with whom U.S. persons or entities may transact business only subject to the imposition of significant fines and penalties, under regulations of the Office of Foreign Asset Control ("OFAC") of the U.S. Department of Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action; (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the USA Patriot Act of 2001, Pub. L. No. 107-56, Executive Order 13224 (September 23, 2001), or any executive orders of the President issued pursuant to such statutes; or (c) controlled by the government of any country or person that is subject to an embargo by the U.S. government, including without limitation OFAC, that prohibits Purchaser from conducting the business activities contemplated by this Agreement with Seller. Seller (a) is in compliance with, (b) is not under investigation by any governmental authority; (c) has not been charged with, convicted of, or assessed civil or criminal penalties; and (d) has not had any of its funds seized or forfeited in any action, for violation of any applicable anti-money laundering laws, including without limitation, the USA Patriot Act, the Bank Secrecy Act, 31 U.S.C. §5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. §1 et seq., Executive Order 13224 (September 23, 2001), the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., and the sanction regulations promulgated pursuant thereto by OFAC, and laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956-57.

7.1.9. Furniture, Fixtures and Appliances. All furniture, fixtures, and appliances located at the Property are fully paid for, and there are no Liens, claims, or unpaid bills against any of them arising from their purchase, installation, or servicing.

7.1.10. Litigation. Seller has not received written notice of and to the best of Seller's knowledge there are no actions, investigations, suits, or proceedings pending or threatened that affect the Property, the ownership or operation thereof, or the ability of Seller to perform its obligations under this Agreement, and (b) there are no judgments, orders, awards, or decrees currently in effect against Seller with respect to the ownership or operation of the Property that have not been fully discharged prior to the Effective Date, other than orders entered by the Bankruptcy Court.

7.1.11. Property Materials. To the best of Seller's knowledge, there are no defects, deficiencies, or inaccuracies in any of the materials posted in the document room that Seller made available to Purchaser, and all such materials are true, accurate, and complete copies.

7.1.12. Underground Mines. To the best of Seller's knowledge, no portion of the Property is located above all or any portion of an underground mine.

7.1.13. Wetlands. To the best of Seller's knowledge, the Property does not contain any wetlands that are subject to any laws, ordinances, codes, rules and regulations, or permit requirements of any Governmental Authority.

7.1.14. Survival. All of the representations, warranties, and covenants made by Seller in this Section 7.1 survive Closing.

7.2 Purchaser Representations and Warranties. Purchaser hereby makes the following representations and warranties to Seller, upon which Purchaser acknowledges and agrees that Seller is entitled to rely.

7.2.1. Organization and Authorization. Following the Ordinance Adoption, Purchaser has full power and authority to enter into this Agreement. Following the Ordinance Adoption and subject to Section 7.2.5, Purchaser has full power and authority to perform this Agreement and to consummate the transactions contemplated hereby. To the extent applicable, the execution, delivery and performance of this Agreement and all documents contemplated hereby have been duly and validly authorized by all necessary action on the part of Purchaser and all required consents and approvals have been duly obtained and will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, agreement or instrument to which Purchaser is a Party or otherwise bound.

7.2.2. Authority and Binding Obligation (i) Following the Ordinance Adoption, Purchaser has full power and authority to execute and deliver this Agreement, (ii) following the Ordinance Adoption and subject to Section 7.2.5, Purchaser has full power and authority to execute and deliver all other documents to be executed and delivered by Purchaser pursuant to this Agreement (the "Purchaser Documents"), and to perform all obligations of Purchaser arising under each of the Purchaser Documents, (iii) the

execution and delivery by the signer on behalf of Purchaser of each of the Purchaser Documents, and the performance by Purchaser of its obligations under each of the Purchaser Documents, has been duly and validly authorized by all necessary action by Purchaser, and (iii) each of the Purchaser Documents, when executed and delivered, will constitute the legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with its terms, except to the extent Seller is in default thereunder.

7.2.3. No Conflicting Agreements. The execution, delivery and performance of this Agreement and all documents contemplated hereby by Purchaser have been duly and validly authorized by all necessary action on the part of Purchaser and all required consents and approvals have been duly obtained and will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, agreement or instrument to which Purchaser is a Party or otherwise bound.

7.2.4. Related Debtor Bids. Purchaser intends to submit the Related Debtor Bids to purchase certain property of the Related Debtors, but this Agreement is not contingent upon the selection of the Related Debtor Bids as the Successful Bidders for the property of the Related Debtors.

7.2.5. Sufficient Funds. Purchaser represents that, upon the issuance of the COPs, it will have sufficient funds and/or assets to pay the full amount of the Purchase Price and consummate the Closing.

7.2.6. No Violation of Anti-Terrorism Laws. None of Purchaser's property or interests is subject to being "blocked" under any Anti-Terrorism Laws, and neither Purchaser nor any Person holding any direct or indirect interest in Purchaser is in violation of any Anti-Terrorism Laws. Neither Purchaser nor any of its Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents (collectively, a "Purchaser Party") is, nor will they become: (a) a person or entity, or owned or controlled by a person or entity, with whom U.S. persons or entities are restricted from doing business, or with whom U.S. persons or entities may transact business only subject to the imposition of significant fines and penalties, under regulations of the OFAC of the U.S. Department of Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action; (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the USA Patriot Act of 2001, Pub. L. No. 107-56, Executive Order 13224 (September 23, 2001), or any executive orders of the President issued pursuant to such statutes; or (c) controlled by the government of any country or person that is subject to an embargo by the U.S. government, including without limitation OFAC, that prohibits Seller from conducting the business activities contemplated by this Agreement with Purchaser.

7.2.7. Patriot Act. Purchaser, including its Purchaser Parties, (a) is in compliance with, (b) is not under investigation by any governmental authority; (c) has not been charged with, convicted of, or assessed civil or criminal penalties; and (d) has not had any of its funds seized or forfeited in any action, for violation of any applicable anti-money

laundering laws, including without limitation, the USA Patriot Act, the Bank Secrecy Act, 31 U.S.C. § 5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. § 1 et seq., Executive Order 13224 (September 23, 2001), the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., and the sanction regulations promulgated pursuant thereto by OFAC, and laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956-57.

7.2.8. Compliance. Purchaser represents and warrants that Purchaser is not a "covered foreign person" within the meaning of 31 CFR Part 802.

7.2.9. Survival. All of the representations, warranties, and covenants made by Purchaser in this Section 7.2 survive Closing.

ARTICLE VIII
COVENANTS

8.1 Conduct of the Business.

8.1.1. Operation in Ordinary Course of Business. From the Effective Date until the Closing or earlier termination of this Agreement, Seller will (i) operate the Property in the ordinary course, including maintaining current insurance coverages; (ii) pay when due assessments and other sums payable to the Master Association, taxes, and costs of operating the Property, including, without limitation charges for utilities; (iii) maintain the Property in substantially the same condition as it is in as of the Effective Date of this Agreement, including, without limitation, performance of the tasks set forth on **Exhibit E**; and (iv) comply with all Applicable Laws, including without limitation, Applicable Laws concerning public safety and health. The provisions of this subsection shall be incorporated into the Sale Order and the Plan.

8.1.2. Contracts. From the Effective Date until the Closing or earlier termination of this Agreement, Seller shall not, without Purchaser's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) or Bankruptcy Court Order, (i) amend, extend, renew or terminate any Leases, Executory Contracts or licenses and permits regarding the Property, except in the ordinary course of business and with prior written notice to Purchaser, or (ii) enter into any new Leases or Executory Contracts regarding the Property.

8.1.3. Prohibited Activities. Prior to Closing, Seller not: (i) take or acquiesce in any action to affect title to the Property other than to cure Unpermitted Exceptions; (ii) execute or enter into any mortgages, deeds of trust, or otherwise encumber the Property in any manner or take any action that would affect the marketability of title to the Property, except where such mortgages, deeds of trust, or encumbrances shall be released at Closing; (iii) alter or contract for the alteration of any existing improvements or construct or install or contract for the construction or installation of any new improvements; without, in each instance, obtaining the prior written consent of Purchaser, (iv) engage in or permit any grading, excavation or other earth-moving activities, without, in each instance,

obtaining the prior written consent of Purchaser; (v) take or acquiesce in any act which would cause Seller to breach any representation or warranty made in this Agreement, (vi) take or acquiesce in any act which would prevent Seller from consummating the transaction contemplated herein at Closing, (vii) form or annex all or any portion of the Property into, or de-annex or exclude all or any portion of the Property from, any special district; and (viii) subject all or any portion of the Property to any new covenants, conditions and restrictions or include all or any portion of the Property in a new common interest community or otherwise subject all or any portion of the Property to any new owner's association or similar organization.

8.2 Tax Contests.

8.2.1. Taxable Period Terminating Prior to Closing Date. Seller shall retain the right to commence, continue and settle any proceeding to contest any Taxes for any taxable period which terminates prior to the Closing, and shall be entitled to any refunds or abatements of Taxes awarded in such proceedings. Seller represents that it has not initiated any tax contest for a taxable period which includes the Closing Date and any periods thereafter.

8.3 Further Assurances. From the Effective Date until the Closing or earlier termination of this Agreement, Seller and Purchaser shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate the transaction described in this Agreement, including, without limitation, (i) obtaining all necessary consents, approvals and authorizations required to be obtained from any Governmental Authority or other Person under this Agreement or Applicable Law, including the Ordinance Adoption and (ii) effecting all registrations and filings required under this Agreement or Applicable Law. After the Closing, Seller and Purchaser shall use commercially reasonable efforts (at no cost or expense to such Party, other than any de minimis cost or expense or any cost or expense which the requesting Party agrees in writing to reimburse) to further effect the transaction contemplated in this Agreement.

8.4 Back-Up Bidder. In the event Purchaser is not selected as the Successful Bidder for the Property following the Auction, Purchaser may be designated as the Back-Up Bidder for the Property in accordance with the Sale Procedures; provided, however, that Purchaser's designation as a Back-Up Bidder shall terminate upon a termination of this Agreement.

8.5 Bankruptcy Court Filings.

8.5.1. Seller shall provide Purchaser with drafts of the Stalking Horse Motion, the Stalking Horse Order, the Sale Motion, the Sale Order, the Assumption/Rejection Motion, the Executory Contract Order, the complaint(s) commencing the Section 363(h) Proceedings and all other pleadings and proposed orders to be filed or submitted in connection with this Agreement and the transactions contemplated hereby at least two (2) Business Days in advance of the proposed filing so as to permit Purchaser sufficient time to review and comment on such drafts, and such pleadings and proposed orders shall be in form and substance reasonably acceptable to Purchaser. Seller shall give Purchaser reasonable advance notice of any hearings regarding the motions or other pleadings

required to obtain entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments.

8.5.2. Seller shall file the Stalking Horse Motion within three (3) Business Days after the later of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder.

8.5.3. Seller shall commence the Section 363(h) Proceedings within five (5) Business Days after the later of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder and shall promptly thereafter complete service on all defendants to the Section 363(h) Proceedings.

8.5.4. In the event that Purchaser is selected as the Successful Bidder or the Back-Up Bidder after the conclusion of the Auction, Seller shall file the Sale Motion and the Assumption/Rejection Motion within three (3) Business Days after the conclusion of the Auction. In the event that no Qualified Bids (as defined in the Sale Procedures Order) are received by Seller prior to the Bid Deadline (as defined in the Sale Procedures Order) and the Auction is not conducted, Seller shall file the Sale Motion and the Assumption/Rejection Motion within three (3) Business Days after the Bid Deadline.

8.5.5. In the event that, following entry, any of the Sale Procedures Order, the Stalking Horse Order, the Sale Order, or the Section 363(h) Proceeding Judgments is appealed or a stay pending appeal is sought, Seller shall take all actions as may be commercially reasonable or appropriate to defend against or oppose such appeal or the stay pending appeal and seek the dismissal of any appeal (including a petition for certiorari, motion for rehearing, reargument, reconsideration or revocation). Notwithstanding the foregoing, any resulting changes to this Agreement shall be subject to Purchaser's approval.

8.6 Seller's Post-Closing Actions. Seller shall not propose, file, support, pursue, seek entry of, or aid in another party proposing, filing, supporting, pursuing or seeking entry of, an order confirming a chapter 11 plan that materially and adversely impacts Purchaser's rights hereunder without Purchaser's prior written consent. For the avoidance of doubt, notwithstanding any other provision of this Agreement, this Section 8.6 shall survive the Closing.

ARTICLE IX
CLOSING CONDITIONS

9.1 Mutual Closing Condition; Termination by Mutual Consent.

9.1.1. Satisfaction of Mutual Closing Condition. The respective obligations of Seller and Purchaser to close the transaction contemplated in this Agreement are subject to the satisfaction of the following conditions precedent (the "Mutual Closing Condition"): (1) the Bankruptcy Court shall have entered the Sale Order by September 1, 2026; (2) the Bankruptcy Court shall have entered the Section 363(h) Proceeding Judgments by March 31, 2027; (3) the Bankruptcy Court shall have entered the Stalking Horse Order prior to the Bid Deadline (as defined in the Sale Procedures); (4) the Bankruptcy Court shall have entered the Executory Contract Order by September 1, 2026;

(5) the Plan and the Confirmation Order (if entered) shall be consistent in all material respects with this Agreement, and (6) there shall be no applicable stay ordered by the Bankruptcy Court which is in effect with respect to the closing of the transaction contemplated in this Agreement. Seller and Purchaser shall act in good faith regarding the satisfaction of these mutual closing conditions, and neither shall do or omit to do anything that would frustrate, impede, or otherwise interfere with the satisfaction of these mutual closing conditions. For the avoidance of doubt, each of the orders and judgments referenced in this Section 9.1.1. shall mean a Final Order of the Bankruptcy Court.

9.1.2. Failure of Mutual Closing Condition. If the Mutual Closing Condition is not satisfied by (a) with respect to Section 9.1.1(1), (2), (3), and (4), the applicable date specified (or such later date agreed to in writing by the Purchaser), and (b) with respect to Section 9.1.1(5) and (6), the Closing Date, then each Party shall have the right to terminate this Agreement by providing written notice to the other Party, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except for those which expressly survive such termination.

9.1.3. Mutual Termination. This Agreement may be terminated at any time prior to the Closing Date by the mutual written consent of Seller and Purchaser, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except for those which expressly survive such termination.

9.2 Purchaser Closing Conditions.

9.2.1. Satisfaction of Purchaser Closing Conditions. In addition to the Mutual Closing Condition, Purchaser's obligations to close the transactions described in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "Purchaser Closing Conditions"):

(a) Seller's Deliveries. All of the Seller Closing Deliveries (as hereinafter defined) shall have been delivered to Purchaser or deposited with Title Company to be held by Title Company in escrow and to be delivered to Purchaser upon the consummation of the Closing.

(b) Representations and Warranties. The representations or warranties of Seller in this Agreement shall be true and correct in all material respects as of the Closing (or as of such other date to which such representation or warranty expressly is made).

(c) Covenants and Obligations. The material covenants and material obligations of Seller in this Agreement shall have been performed in all material respects.

(d) No Change in Physical Condition. The physical condition of the Property shall be substantially the same on the Closing Date as on the Effective Date (except for any damage due to any act of Purchaser or Purchaser's representatives).

(e) Rating for COPs. Purchaser has obtained a credit rating for the issuance of the COPs by no later than January 31, 2027, which credit rating shall not be less than BBB.

(f) Title Insurance. The Title Company shall be unconditionally prepared and committed to issue to Purchaser (with an effective date of the Closing Date), an Owner's Policy of Title Insurance in conformance with the Commitment, in favor of Purchaser for the portions of the Property that constitute real property (a) showing fee title to such real property vested in Purchaser, (b) with liability coverage in an amount equal to the Purchase Price, (c) with those endorsements reasonably requested by Purchaser (provided that such endorsements are available in the State of Colorado and are paid for by Purchaser), and (d) containing no exceptions other than the Permitted Exceptions (the "Title Policy").

(g) Closing. The Closing shall have occurred no later than the deadline specified in Section 10.1 hereof and Seller shall have delivered possession of the Property to Purchaser upon completion of the Closing.

9.2.2. Failure of Purchaser Closing Condition. If any of the Purchaser Closing Conditions, other than the condition set forth in Section 9.2.1(e), are not satisfied on the Closing Date (as the same may be extended, adjourned, or postponed by Seller or Purchaser to the extent they have the express right to do so under this Agreement), or if the condition set forth in Section 9.2.1(e) is not satisfied by January 31, 2027, or if the Closing Condition Date shall not have occurred by March 31, 2027, then Purchaser shall have the right (i) to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (ii) to waive any of the Purchaser Closing Conditions at or prior to Closing, without offset or deduction from the Purchase Price; provided, however, that any such waiver shall be made in writing by Purchaser. Nothing contained herein shall be deemed or construed to limit Purchaser's rights under Section 12.1 hereof.

9.3 Seller Closing Conditions.

9.3.1. Satisfaction of Seller Closing Conditions. In addition to the Mutual Closing Condition, Seller's obligations to close the transactions contemplated in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "Seller Closing Conditions"):

(a) Receipt of the Purchase Price. Purchaser shall have (A) deposited with Escrow Agent with written direction to disburse the same in accordance with the provisions of the Sale Order and/or other applicable Order, the Purchase Price (as adjusted pursuant to Section 3.1 hereof), and (B) delivered written direction to Escrow Agent to disburse the Earnest Money in accordance with the provisions of the Earnest Money Escrow Agreement and/or other applicable Order.

(b) Purchaser's Deliveries. All of the Purchaser Closing Deliveries (as hereinafter defined) shall have been delivered to Seller or deposited with Title Company to be held by Title Company in escrow and to be delivered to Seller at Closing.

(c) Representations and Warranties. The representations and warranties of Purchaser in this Agreement shall be true and correct in all material respects as of the Closing (or as of such other date to which such representation or warranty expressly is made).

(d) Covenants and Obligations. The covenants and obligations of Purchaser in this Agreement shall have been performed in all material respects.

9.3.2. Failure of Seller Closing Condition. If any of the Seller Closing Conditions is not satisfied on the Closing Date, then Seller shall have the right to (i) terminate this Agreement by providing written notice to Purchaser, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3.2.2 hereof, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (ii) waive any of the Seller Closing Conditions at or prior to Closing; provided, however, that any such waiver shall be made in writing executed by Seller. Nothing contained herein shall be deemed or construed to limit Seller's rights under Section 12.2 and/or 12.4 hereof.

9.4 Bankruptcy Conditions. Notwithstanding anything to the contrary in this Agreement, upon the occurrence of any of the following, Purchaser shall have the right to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money Deposit shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination (provided that nothing contained herein shall be deemed or construed to limit Purchaser's rights under Section 12.1 hereof):

(a) The Sale Procedures are modified in a manner that materially affects Purchaser without Purchaser's consent.

(b) The Bankruptcy Court denies entry of the Stalking Horse Order;

(c) Purchaser is not selected as Successful Bidder or Back-Up Bidder after the conclusion of the Auction.

(d) The Bankruptcy Court denies entry of the Sale Order;

(e) If Purchaser is selected as Back-Up Bidder, the Back-Up Termination Date (as defined in the Sale Procedures Order) occurs.

(f) Following entry, any of the Sale Procedures Order, the Stalking Horse Order, the Sale Order, the Executory Contract Order, or the Section 363(h) Proceeding Judgments is altered, amended, modified, or supplemented in a manner that is not reasonably acceptable to Purchaser or is vacated, stayed, revoked, voided or set aside.

(g) The Section 363(h) Proceeding Judgments are not entered by March 31, 2027 (as the same may be extended, adjourned, or postponed with the written consent of Purchaser).

(h) The Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, or a Chapter 11 trustee is appointed in the Bankruptcy Case.

ARTICLE X
CLOSING

10.1 Closing Date. Closing of the transaction described in this Agreement (the "Closing") shall occur no later than sixty (60) days after the latest of: (a) the entry of the Sale Order, (b) the entry of the Executory Contract Order, (c) the entry of the Section 363(h) Proceeding Judgments, (d) if Purchaser is selected as the Back-Up Bidder and subsequently deemed to be the Successful Bidder, the date that Purchaser is notified that it is deemed to be the Successful Bidder, or (e) such other date as agreed to in writing between Seller and Purchaser, time being of the essence; provided, however, that if Purchaser is selected as the equivalent of the Successful Bidder or the Back-Up Bidder in connection with any Related Debtor Sale, then the Closing shall occur not later than sixty (60) days after the latest of: (v) the entry of the Sale Order and the equivalent of the Sale Order in each such Related Debtor Sale, (w) the entry of the Executory Contract Order and the equivalent of the Executory Contract Order in each such Related Debtor Sale, (x) the entry of the Section 363(h) Proceeding Judgments and the equivalent of the Section 363(h) Proceeding Judgments in each such Related Debtor Sale, (y) if Purchaser is selected as the equivalent of the Back-Up Bidder in one or more Related Debtor Sales and subsequently deemed to be the equivalent of the Successful Bidder in such Related Debtor Sale(s), the date that Purchaser is notified that is deemed to be the equivalent of the Successful Bidder in such Related Debtor Sale(s), or (z) such other date as agreed to in writing between Seller and Purchaser. The latest to occur of (a) – (e) above or, if Purchaser is selected as the equivalent of the Successful Bidder or the Back-Up Bidder in connection with any Related Debtor Sale, the latest to occur of (v) – (z) above is referred to herein as the "Closing Condition Date." The date on which the Closing occurs is referred to herein as the "Closing Date."

10.2 Closing Deliveries.

10.2.1. Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Purchaser or deposited with Title Company in the Title Company's escrow account for Closing to be delivered to Purchaser at Closing, all of the (i) documents set forth in this Section 10.2.1, each of which shall have been duly executed by Seller and acknowledged (if required) and (ii) other items set forth in this Section 10.2.1 (the "Seller Closing Deliveries"), as follows:

(a) Deeds, bills of sale, and assignments conveying the Property to Purchaser, subject to the Permitted Exceptions, to the extent applicable, respectively, to the Property, each in a form reasonably acceptable to Purchaser and the Title Company (collectively, the "Deeds");

(b) Such documents and instruments in recordable form, executed and properly acknowledged by Seller, as the Title Company may require, to terminate the condominium regime and timeshare regime applicable to the Property (the "Condominium Termination").

(c) Such other documents and instruments, executed and properly acknowledged by Seller, if applicable, as the Title Company may require from Seller in order to

issue the Title Policy, including but not limited to affidavits of title and corporate resolutions, each in a form reasonably acceptable to the Title Company;

(d) A FIRPTA affidavit in the form set forth in the regulations under Section 1445 of the Code;

(e) A Colorado Form DR-1083 and such other Colorado-specific forms as the Title Company may require.

(f) A resolution of Seller, signed by Seller's authorized representative, authorizing the execution of this Agreement and the consummation of the transactions contemplated hereby;

(g) Certified copies of the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments;

(h) The Closing Statement; and

(i) Such other documents and instruments as may be reasonably requested by Purchaser in order to consummate the transaction described in this Agreement.

10.2.2. Purchaser's Deliveries. At or prior to the Closing, Purchaser shall direct Escrow Agent to deliver the Earnest Money to Title Company to be deposited in the Title Company's escrow account for Closing. At the Closing, Purchaser shall deliver or cause to be delivered to Seller or deposited with Title Company in the Title Company's escrow account for Closing to be delivered to Seller all of the (i) documents set forth in this Section 10.2.2, each of which shall have been duly executed by Purchaser and acknowledged (if required), and (ii) other items set forth in this Section 10.2.2 (the "Purchaser Closing Deliveries"), as follows:

(a) The Purchase Price (as adjusted pursuant to this Agreement) to be paid by Purchaser;

(b) A letter of direction to Title Company authorizing and directing Title Company to disburse the Earnest Money to Seller or to such party or parties as Seller shall designate;

(c) A counterpart of each of the documents and instruments to be delivered by Seller under Section 10.2 hereof which require execution by Purchaser;

(d) Such other documents and instruments as may be reasonably requested by Seller or the Title Company in order to consummate the transaction described in this Agreement;

(e) The Cure Amounts required under the Executory Contract Order; and

(f) A Colorado Form TD-1000 and such other Colorado-specific forms as the Title Company may require

10.3 Possession. Seller shall deliver possession of the Property to Purchaser upon completion of the Closing, subject to the rights of counterparties under the Purchased Contracts.

ARTICLE XI
PRORATIONS AND EXPENSES

11.1 Items to Be Prorated. The following shall be prorated between Seller and Purchaser as of the Closing Date with Purchaser being deemed the owner of the Property as of the Closing Date and with Purchaser receiving credit for or charged with the entire day of the Closing: Taxes, but only if the Property will not be exempt from Taxes after Closing,, water, sewer, Master Association fees, if applicable, (the "Prorations"). Except as hereinafter expressly provided, all prorations shall be done on the basis of the actual number of days in the year in which Closing occurs for the actual number of days elapsed to the Closing Date or the actual number of days in the month in which the Closing occurs and the actual number of days elapsed in such month to the Closing Date, as applicable. Any assessment for improvements completed prior to closing shall be Seller's responsibility. Notwithstanding anything else set forth herein, in the event any unpaid utilities could become Liens, then Seller shall obtain a final reading within three days prior to the Closing, failing which Seller shall escrow a reasonable amount with the title company.

11.2 Taxes. Upon Closing, Seller shall pay the treasurer of Archuleta County property taxes levied on the Property for the current taxable year. The amount of such property taxes shall be as determined by the treasurer of Archuleta County Because Purchaser is a Governmental Authority, it is expected that the Property will become exempt from the levy and collection of property tax at the Closing, pursuant to C.R.S. Section 39-3-131.

11.3 Closing Costs. Closing costs will be allocated between Seller and Purchaser and paid at Closing as follows:

COST	RESPONSIBLE PARTY
Costs of Seller's delivery of the Property information	Seller
Costs of Purchaser's investigation of the Land and Property and feasibility of acquiring the Property	Purchaser
Title Commitment or updates and other Title Company due diligence, title search fees, administrative fees and charges	Purchaser
Premium for ALTA Title Policy	Purchaser
ALTA Title Policy endorsement premiums for any additional endorsements desired by Purchaser	Purchaser
Lis Pendens filing	Purchaser
Any tax, municipal and utility lien searches and certificates	Purchaser

Deed recording fees	Purchaser
Costs of the Survey	Purchaser
Documentary stamp tax on the Deed, if applicable	Seller (to the extent not prohibited by Section 1146(a) of the Bankruptcy Code)
Closing Fee charged by Title Company for conducting the Closing	½ Seller and ½ Purchaser
Brokerage Commissions (subject to Bankruptcy Court approval)	Seller
All other closing costs, expenses, charges and fees, including attorneys' fees	The party incurring same

ARTICLE XII
DEFAULT AND REMEDIES

12.1 Seller Default. If, at the time of Closing, Seller fails to perform its material covenants or material obligations under this Agreement (a "Seller Default") and no Purchaser Default (as defined in Section 12.2) has occurred that has prevented the satisfaction of the conditions to the obligations of Purchaser to close the transactions set forth in Section 9 hereof, then Purchaser, as its sole and exclusive remedy, may elect upon written notice to Seller to provide notice of such Seller Default, and if Seller fails to remedy the Seller Default within fifteen (15) days thereafter, this Agreement shall terminate (a "Seller's Breach Termination Event") and the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination.

12.2 Purchaser's Default. If Purchaser fails to perform any of its material covenants or material obligations under this Agreement (a "Purchaser Default") and no Seller Default has occurred which remains uncured, then Seller, as its sole and exclusive remedy, may elect to (a) terminate this Agreement by providing written notice to Purchaser, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3 hereof, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (b) proceed to Closing pursuant to this Agreement. Seller waives any right to specific performance and to recover damages, including, without limitation, actual damages and consequential, incidental, or punitive damages other than the Earnest Money as liquidated damages.

12.3 Stalking Horse Protections. The parties agree that if Seller closes an Alternative Transaction, then the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2. and, in addition, Seller shall pay in cash to Purchaser (a) a break-up fee in the amount three percent (3%) of the Purchase Price (the "Break-Up Fee"), and (b) an amount equal to the reasonable and documented out-of-pocket costs, fees and expenses incurred by Purchaser

(including fees and expenses of Purchaser's legal, accounting and financial advisors) in connection with the development, negotiation, execution, delivery and approval by the Bankruptcy Court of this Agreement and the transaction contemplated hereby, in an amount not to exceed $30,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Stalking Horse Protections"). Seller shall pay the Break-Up Fee by wire transfer to an account specified by Purchaser within ten (10) Business Days of the closing of an Alternative Transaction. Seller shall pay the Expense Reimbursement by wire transfer to an account specified by Purchaser within ten (10) Business Days after Seller's receipt of documentation reflecting the Expense Reimbursement amount in reasonable detail; provided, however, that if Seller disputes the amount of the Expense Reimbursement within such ten-day period, the Parties will submit the matter to the Bankruptcy Court for resolution and will pay the Expense Reimbursement no later than five (5) Business Days following such resolution. The Stalking Horse Protections are an integral part of this Agreement, without which Purchaser would not have entered into this Agreement. The Stalking Horse Protections shall be in addition to any bid protections granted to Purchaser in connection with any Related Debtor Sale.

12.4 LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE AND AGREE THAT IF THIS AGREEMENT IS TERMINATED PURSUANT TO SECTION 12.2 HEREOF, THE DAMAGES THAT SELLER WOULD SUSTAIN AS A RESULT OF SUCH TERMINATION WOULD BE DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. ACCORDINGLY, THE PARTIES AGREE THAT SELLER SHALL RETAIN THE EARNEST MONEY, FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTEREST, AS A FAIR AND REASONABLE SUM AND AS FAIR MEASURE OF DAMAGES, AS LIQUIDATED DAMAGES (AND NOT AS A PENALTY) AS SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH TERMINATION. NOTWITHSTANDING THE FOREGOING, THE REMEDY OF LIQUIDATED DAMAGES SHALL NOT LIMIT, AND SHALL NOT BE DEEMED TO LIMIT, IN ANY WAY THE RIGHTS AND REMEDIES AVAILABLE TO SELLER WHICH SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE XIII
RISK OF LOSS

13.1 Casualty. If, at any time after the Effective Date and prior to Closing or earlier termination of this Agreement, the Property or any portion thereof is damaged or destroyed by fire or any other casualty (a "Casualty"), Seller shall give written notice of such Casualty to Purchaser promptly after the occurrence of such Casualty.

13.1.1. Material Casualty. If the amount of the repair restoration of the Property required by a Casualty equals or exceeds twenty-five percent (25%) of the Purchase Price, as estimated by Seller's architect (a "Material Casualty") then Purchaser shall have the right to elect, by providing written notice to Seller within ten (10) days after Purchaser's receipt of the estimate from Seller's architect, to (a) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except those which expressly survive such termination, or (b) proceed to Closing, without terminating this Agreement, in which case Seller shall (i) provide Purchaser with a credit against the Purchase Price in an amount equal to the lesser of: (A) the applicable insurance

deductible, and (B) and the reasonable estimated costs for the repair or restoration of the Property required by such Material Casualty, and (ii) transfer and assign to Purchaser all of Seller's right, title and interest in and to all proceeds from all casualty and lost profits insurance policies maintained by Seller with respect to the Property or its business. If the Closing is scheduled to occur within Purchaser's ten (10) day election period, the Closing Date shall be postponed until the date which is five (5) Business Days after the expiration of such ten (10) day election period.

13.1.2. Non-Material Casualty. In the event of any Casualty which is not a Material Casualty, then Purchaser shall not have the right to terminate this Agreement, but shall proceed to Closing, in which case Seller shall (A) provide Purchaser with a credit against the Purchase Price in an amount equal to the lesser of: (1) the applicable insurance deductible under Seller's applicable insurance policy, and (2) the reasonable estimated costs for the repair or restoration required by such Casualty, and (B) transfer and assign to Purchaser all of Seller's right, title and interest in and to all proceeds from all casualty insurance policies maintained by Seller with respect to the Property.

13.2 Condemnation. If, at any time after the Effective Date and prior to Closing or the earlier termination of this Agreement, any Governmental Authority commences any condemnation proceeding or other proceeding in eminent domain with respect to all or any portion of the Property (a "Condemnation"), Seller shall give written notice of such Condemnation to Purchaser promptly after Seller receives notice of such Condemnation.

13.2.1. Material Condemnation. If the Condemnation would (i) result in the permanent loss of more than twenty-five percent (25%) of the fair market value of the Land or Improvements of the Property, (ii) result in any permanent material reduction or restriction in access to the Land or Improvements of the Property, or (iii) have a permanent materially adverse effect on the business of the Property Association as conducted prior to such Condemnation (a "Material Condemnation"), then Purchaser shall have the right to elect, by providing written notice to Seller within ten (10) days after Purchaser's receipt of Seller's written notice of such Material Condemnation, to (A) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except those which expressly survive such termination, or (B) proceed to Closing, without terminating this Agreement, in which case Seller shall assign to Purchaser all of Seller's right, title and interest in all proceeds and awards from such Material Condemnation. If the Closing is scheduled to occur within Purchaser's ten (10) day election period, the Closing shall be postponed until the date which is five (5) Business Days after the expiration of such ten (10) day election period.

13.2.2. Non-Material Condemnation. In the event of any Condemnation other than a Material Condemnation, Purchaser shall not have the right to terminate this Agreement, but shall proceed to Closing, in which case Seller shall assign to Purchaser all of Seller's right, title and interest in all proceeds and awards from such Condemnation.

ARTICLE XIV
SURVIVAL

14.1 Survival. Except only as expressly set forth in this Section 14.1, all representations, warranties, covenants, liabilities and obligations shall be deemed (i) if the Closing occurs, to merge in the Deeds and not survive the Closing, or (ii) if this Agreement is terminated, not to survive such termination.

14.1.1. Survival of Representations and Warranties. The payment of the Purchase Price by Purchaser and the delivery of the Seller Closing Deliveries by Seller to Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement.

14.1.2. Survival of Covenants and Obligations. If this Agreement is terminated, only those covenants and obligations to be performed by the Parties under this Agreement which expressly survive the termination of this Agreement shall survive such termination. If the Closing occurs, only those covenants and obligations to be performed by the Parties under this Agreement which expressly survive the Closing shall survive the Closing.

14.1.3. Survival of Indemnification. All rights and obligations of defense and indemnification as expressly set forth in this Agreement shall survive the Closing or termination of this Agreement. Notwithstanding anything to the contrary contained herein, Articles II, VI, XII and XIV and Sections 3.2.2, 7.1.7, 7.2, and 11.2 hereof and any other Section that expressly states it shall survive Closing or the termination of this Agreement.

ARTICLE XV
MISCELLANEOUS PROVISIONS

15.1 Notices.

15.1.1. Method of Delivery. All notices, requests, demands and other communications required to be provided by any Party under this Agreement (each, a "Notice") shall be in writing and delivered, at the sending Party's cost and expense, by (i) personal delivery, (ii) certified U.S. mail, with postage prepaid and return receipt requested, (iii) overnight courier service, or (iv) email, with a verification copy sent on the same day by any of the methods set forth in clauses (i), (ii) or (iii),, to the recipient Party at the following address, facsimile number or e-mail address:

If to Seller:

Masters Place Condominiums Property Owners Association, Inc.
Attn.: Shane Prince
shane.prince@travelandleisure.com

With required copy to:

K&L Gates LLP
One Newark Center, 10th Fl.

1085 Raymond Blvd.
Newark, NJ 07102
Daniel Eliades, Esq
Daniel.eliades@klgates.com
Jennifer Mazawey, Esq.
Jennifer.mazawey@klgates.com
William Waldman, Esq.
william.waldman@klgates.com
Jon Edel, Esq.
jon.edel@klgates.com
Brandy Sargent, Esq.
brandy.sargent@klgates.com

If to Purchaser:

Town of Pagosa Springs
551Springs Blvd.
Pagosa Springs, CO 81147
David Harris
dharris@pagosasprings.co.gov
James Dickhoff
jdickhoff@pagosasprings.co.gov
Jeff Sams
jeff@pagosaspringscdc.org

With required copy to:

Collins Cole Winn and Ulmer, PLLC
165 S. Union Blvd Suite 785
Lakewood, CO 80228
Robert Cole, Esq.
rcole@cogovlaw.com

and

Bryan Cave Leighton Paisner LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541
David Unseth, Esq.
David.Unseth@bclplaw.com
Bruce Likoff, Esq.
Bruce.Likoff@bclplaw.com

15.1.2. Receipt of Notices. All Notices sent by a Party (or its counsel pursuant to Section 15.1.4 hereof) under this Agreement shall be deemed to have been received by the Party to whom such Notice is sent upon (i) delivery to the address, email address, or facsimile number of the recipient Party, provided that such delivery is made prior to 5:00

p.m. Mountain Time on a Business Day, otherwise the following Business Day, or (ii) the attempted delivery of such Notice if (A) such recipient Party refuses delivery of such Notice, or (B) such recipient Party is no longer at such address, email address or facsimile number, and such recipient Party failed to provide the sending Party with its current address, email address or facsimile number pursuant to Section 15.1.3 hereof.

15.1.3. Change of Address. The Parties and their respective counsel shall have the right to change their respective address and/or facsimile number for the purposes of this Section 15.1 by providing a Notice of such change in address and/or facsimile number as required under this Section 15.1.

15.1.4. Delivery by Party's Counsel. The Parties agree that the attorney for such Party shall have the authority to deliver Notices on such Party's behalf to the other Party hereto.

15.2 No Recordation. No Party shall record this Agreement, or any memorandum of this Agreement, in any public records.

15.3 Time is of the Essence. Time is of the essence as to all dates and/ or times, as applicable, set forth in this Agreement; provided, however, that notwithstanding anything to the contrary in this Agreement, if the time period for the performance of any covenant or obligation, satisfaction of any condition or delivery of any Notice or item required under this Agreement shall expire on a day other than a Business Day, such time period shall be extended automatically to the next Business Day.

15.4 Assignment. Purchaser shall not assign this Agreement or any interest therein to any Person, without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Notwithstanding the foregoing, Purchaser shall have the right to designate any affiliate(s) (which is intended to be broader than the defined term "Affiliate") as its nominee to receive title to the Property, or assign all of its right, title and interest in this Agreement to any affiliate(s) of Purchaser by providing written notice to Seller no later than five (5) days prior to the Closing, provided that in any such event the originally named Purchaser shall remain liable for all Purchaser obligations hereunder.

15.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns.

15.6 Third Party Beneficiaries. This Agreement shall not confer any rights or remedies on any Person other than (i) the Parties and their respective successors and permitted assigns, and (ii) any indemnitee to the extent such indemnitee is expressly provided any right of defense or indemnification in this Agreement.

15.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF COLORADO, WITHOUT GIVING EFFECT TO ANY PRINCIPLES REGARDING CONFLICT OF LAWS.

15.8 Rules of Construction. The following rules shall apply to the construction and interpretation of this Agreement:

15.8.1. Singular words shall connote the plural as well as the singular, and plural words shall connote the singular as well as the plural, and the masculine shall include the feminine and the neuter, as the context may require.

15.8.2. All references in this Agreement to particular articles, sections, subsections or clauses (whether in upper or lower case) are references to articles, sections, subsections or clauses of this Agreement. All references in this Agreement to particular exhibits or schedules (whether in upper or lower case) are references to the exhibits and schedules attached to this Agreement, unless otherwise expressly stated or clearly apparent from the context of such reference.

15.8.3. The headings in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

15.8.4. Each Party and its counsel have reviewed and revised (or requested revisions of) this Agreement and have participated in the preparation of this Agreement, and therefore any rules of construction requiring that ambiguities are to be resolved against the Party which drafted the Agreement or any exhibits hereto shall not be applicable in the construction and interpretation of this Agreement or any exhibits hereto.

15.8.5. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms shall refer to this Agreement, and not solely to the provision in which such term is used.

15.8.6. The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without limitation."

15.8.7. The term "sole discretion" with respect to any determination to be made a Party under this Agreement shall mean the sole and absolute discretion of such Party, without regard to any standard of reasonableness or other standard by which the determination of such Party might be challenged.

15.9 Severability; Conflict. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time in any jurisdiction, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement, or the validity or enforceability of such affected term or provision at any other time or in any other jurisdiction. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any term, condition, or provision of this Agreement conflicts with or is contrary to Applicable Law, such Applicable Law shall govern and control, and such term, condition, or provision shall be deemed modified to the minimum extent necessary to comply with such Applicable Law. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any term, condition, or provision of this Agreement conflicts with or is contrary to the Sale Procedures, this Agreement govern and control, and the conflicting term, condition, or provision in the Sale Procedures shall be deemed modified by Debtor to the extent necessary to comply with this Agreement.

15.10 JURISDICTION AND VENUE. ANY LITIGATION OR OTHER COURT PROCEEDING WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION

WITH THIS AGREEMENT SHALL BE CONDUCTED IN THE BANKRUPTCY COURT AND SELLER (FOR ITSELF AND ALL SELLER INDEMNITEES) AND PURCHASER (FOR ITSELF AND ALL PURCHASER INDEMNITEES) HEREBY SUBMIT TO JURISDICTION AND CONSENT TO VENUE IN SUCH COURT AND WAIVE ANY DEFENSE BASED ON FORUM NON CONVENIENS.

15.11 WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY WAIVE ITS RIGHT TO A TRIAL BY JURY IN ANY LITIGATION OR OTHER COURT PROCEEDING WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT. THE FOREGOING WAIVER IS MADE BY THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AND IS SUBJECT TO NO EXCEPTIONS.

15.12 Incorporation of Recitals, Exhibits and Schedules. The recitals to this Agreement, and all exhibits and schedules (as amended, modified and supplemented from time to time pursuant to Section 15.14 hereof) referred to in this Agreement are incorporated herein by such reference and made a part of this Agreement. Any matter disclosed in any schedule to this Agreement shall be deemed to be incorporated in all other schedules to this Agreement.

15.13 Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Parties hereto and shall supersede any other agreements and understandings (written or oral) between the Parties on or prior to the Effective Date with respect to the transaction described in this Agreement.

15.14 Amendments, Waivers and Termination of Agreement. No amendment or modification to any terms or provisions of this Agreement, waiver of any covenant, obligation, breach or default under this Agreement or termination of this Agreement (other than as expressly provided in this Agreement), shall be valid unless in writing and executed and delivered by each of the Parties.

15.15 Not an Offer. The delivery by Seller of this Agreement executed by Seller shall not constitute an offer to sell the Property, and Seller shall have no obligation to sell the Property to Purchaser, unless and until all Parties have executed and delivered this Agreement to all other Parties.

15.16 Execution of Agreement. A Party may deliver executed signature pages to this Agreement by facsimile or electronic transmission to any other Party, which facsimile or electronic copy shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

15.17 Substantial Contribution. In consideration of and expressly contingent upon approval of the Stalking Horse Protections pursuant to the Stalking Horse Order, Purchaser hereby waives any right it may have to pursue a substantial contribution claim in the Bankruptcy Case pursuant to 11 U.S.C. §503.

15.18 Real Estate Commission. Seller and Purchaser each represent and warrant to the other that neither Seller nor Purchaser has contacted or entered into any agreement with any real estate broker, agent, finder or any other party in connection with this transaction other than Seller's

broker, Hilco Real Estate LLC ("Broker"), and that neither Party has taken any action which would result in any real estate broker's, finder's or other fees or commissions being due and payable to any Party other than Broker with respect to the transaction contemplated hereby. To the extent permitted by law, Purchaser hereby indemnifies and agrees to hold the Seller harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the Seller by reason of a breach of the representation and warranty made by Purchaser in this Section. Seller hereby indemnifies and agrees to hold the Purchaser harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the Purchaser by reason of a breach of the representation and warranty made by Seller in this Section.

15.19 Radon Disclosure. THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT STRONGLY RECOMMENDS THAT ALL PURCHASERS 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 PURCHASER 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 IN REAL ESTATE TRANSACTIONS IS AVAILABLE AT: HTTPS://CDPHE.COLORADO.GOV/RADON-AND-REAL-ESTATE.

**[Remainder of page intentionally left blank;
Signatures on following pages]**

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and delivered in its name by a duly authorized officer or representative.

<u>SELLER</u>:
MASTERS PLACE CONDOMINIUMS PROPERTY OWNERS ASSOCIATION, INC.

__________________________________ By:______________________________________

Name: Rusty Nabors
Title: Board President

<u>PURCHASER</u>:
TOWN OF PAGOSA SPRINGS

__________________________________ By:______________________________________

Name: David J. Harris
Title: Town Manager

EXHIBIT A

LEGAL DESCRIPTION

Building 001C, Units 7301-7308; and Building 002C, Units 7309-7320

Of Masters Place Condominiums, as more fully described and set forth in Declaration of Condominium for Masters Place Condominiums, recorded March 14, 1989, at Reception No. 161911, Official Records Archuletta County, Colorado, as the same has been amended, supplemented, and/or restated.

EXHIBIT B

LEASES

None

EXHIBIT C

FORM OF EARNEST MONEY ESCROW AGREEMENT

Agent shall be reimbursed by the Parties on an equal basis for any and all legal fees, costs, or other expenses it may incur as a result of such action.

7. **Rights, Obligations and Indemnification of Escrow Agent.**

a. In performing any of its duties under this Escrow Agreement, or upon the claimed failure to perform its duties hereunder, the Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which it may incur as a result of the Escrow Agent so acting, or failing to act; provided, however, that the Escrow Agent shall be liable for damages arising out of its fraud or willful default under this Escrow Agreement. Accordingly, the Escrow Agent shall not incur any such liability with respect to (i) any action taken or omitted to be taken in good faith, whether or not acting upon advice of its counsel given with respect to any questions relating to the duties and responsibilities of the Escrow Agent hereunder, nor (ii) any action taken or omitted to be taken in reliance upon any document, including any written notice or instructions provided for in this Escrow Agreement, not only as to such document's due execution and to the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information contained herein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Escrow Agreement. The Escrow Agent shall have no liability for loss arising from any cause beyond its control, including (but not limited to) the following: (i) the act, failure or neglect of any agent or correspondent selected by Bidder or Seller, or any of them, for the remittance of funds; (ii) any delay, error, omission or default of any mail, telegraph, cable, or wireless agency or operator; or (iii) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers.

b. Seller and Bidder agree to indemnify and hold harmless the Escrow Agent against any and all fees, losses, claims, damages, liabilities, and expenses, including, without limitation, reasonable costs of investigation and counsel fees and disbursements which may be imposed by the Escrow Agent or incurred by it in connection with its acceptance of this appointment as Escrow Agent hereunder, or the performance of its duties hereunder, including, without limitation, any litigation arising from this Escrow Agreement or involving the subject matter hereof or thereof; except, that if the Escrow Agent shall be found guilty of fraud or willful default under this Escrow Agreement then, in that event, the Escrow Agent shall bear all such losses, claims, damages, and expenses.

c. The Escrow Agent shall be bound only by the terms of this Escrow Agreement and shall not be bound by, or be deemed to have knowledge of any of the terms of, or incur any liability with respect to any purchase agreement for the Real Estate or any other agreement or understanding to which the Escrow Agent is not a party. The Escrow Agent shall not have any duties hereunder except those specifically set forth herein.

d. If any part of the funds deposited hereunder is at any time attached, garnished or levied upon under any court order, or if the payment or transfer of any such funds shall be stayed or enjoined by any court order, or any order, judgment or decree shall be made or entered by any court affecting such funds or any portion thereof, then in any of such events the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree which it is advised by legal counsel is binding upon it. Bidder and Seller jointly and severally agree to indemnify the Escrow Agent and hold it harmless against any loss, liability or expense of any kind which may result, in whole or in part, from any delay in acting with respect to any such order, writ, judgment, or decree. If the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to Bidder, Seller, or any other person, firm or corporation by reason of such compliance, even though such order, writ, judgment or decree may subsequently be reversed, modified, annulled, set aside or vacated.

e. Bidder and Seller further agree that in addition to any further rights the Escrow Agent may have hereunder or otherwise, should any dispute arise with respect to the payment or ownership or right of possession of any of the funds or properties held by the Escrow Agent as contemplated herein, the Escrow Agent is authorized to retain in its possession all or part of such funds until the dispute has been settled either by mutual agreement of all the parties concerned or by a final judicial determination, or the Escrow Agent may in its sole discretion terminate this Escrow Agreement as set forth in Subparagraph 7(i).

f. The Escrow Agent's activities hereunder shall be only those of, or incidental to, a passive ministerial depository and disbursing payor pursuant to the terms hereof. In the event of any disagreements or conflicting instructions resulting in adverse claims or demand being made upon the Escrow Agent in connection herewith, or in the event that the Escrow Agent in good faith is in doubt as to what action should be taken hereunder, it may, at its option, refuse to comply with any claims or demands on it, or resign as Escrow Agent pursuant to the terms of this Escrow Agreement, or refuse to take any other action hereunder, and in any such event, the Escrow Agent shall not be or become liable in any way or to any party for its failure or refusal from acting until all differences shall have been settled and all doubt resolved.

g. The Escrow Agent: (i) except as otherwise expressly provided herein, shall have no obligation to make any payment hereunder unless all the necessary funds and/or documents have been actually received by the Escrow Agent; (ii) shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of the underlying transactions contemplated herein or any purchase agreement concerning the Real Estate; (iii) may rely on and shall be protected in acting upon any certificate, instrument, any notice as provided in Paragraph 9 below, letter, telegram, telecopy, or other document delivered to the Escrow Agent and reasonably believed by the Escrow Agent to be genuine and to have been sent by the proper party or parties; and (iv) may consult its counsel regarding questions which may arise and the advice or opinion of such counsel shall be conclusive evidence of good faith in respect of any action taken, suffered, or omitted by the Escrow Agent hereunder in accordance with the advice or opinion of such counsel. However, the Escrow Agent shall be under no obligation to consult with counsel, and failure to do so shall not be evidence of a lack of good faith on the part of the Escrow Agent.

h. Escrow Agent shall have no responsibility for the investment of any funds held hereunder. It is the intention of the parties that, except as otherwise expressly provided herein, Escrow Agent shall never be required to use or advance its own funds or otherwise incur financial liability in the performance of its duties or the exercise of any of its rights and powers hereunder.

i. Escrow Agent may resign without obtaining the order of any court, by giving at least thirty (30) days prior written notice (unless waived) to Bidder and Seller and upon the taking of all the actions as described in this Subparagraph (i) by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to Bidder or Seller or to any other person or persons in connection with this Escrow Agreement. Such resignation shall be effective upon the appointment by Bidder and Seller of a successor agent; provided, that if any such appointment of any successor agent is not effectuated within thirty (30) days of such written notice, the Escrow Agent may file an action for interpleader and deposit all funds with a court of competent jurisdiction, all as provided for in Subparagraph (k) below. Any successor agent appointed under the provisions of this Escrow Agreement shall have all of the same rights, powers, privileges, immunities and authority with respect to the matters contemplated herein as are granted herein to the original Escrow Agent.

j. It is not the intention of the parties hereto to create, nor shall this Escrow Agreement be construed as creating, a partnership or association, or to render the parties hereto liable as partners.

k. Notwithstanding any provision herein to the contrary, in the event of any disagreement or controversy arising under this Escrow Agreement or if conflicting demands or notices are made upon the Escrow Agent growing out of or relating to this Escrow Agreement or in the event the Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Escrow Agent shall have the right, at its election, to withhold and stop all further proceedings, in and performance of, this Escrow Agreement and all instructions received hereunder and file a suit in interpleader and obtain an order from a court of competent jurisdiction requiring all parties involved to interplead and litigate in such court their claims and rights among themselves and with the Escrow Agent. The foregoing remedy shall be cumulative of any other remedies available to the Escrow Agent provided hereunder or in law or at equity. Should any suit or legal proceeding be instituted growing out of or related to this Escrow Agreement, whether such suit be initiated by the Escrow option, to stop all further proceedings under and performance of this Escrow Agreement and of all instructions received hereunder until all differences shall have been rectified and all doubts resolved by agreement or until the rights of all parties shall have been fully and finally adjudicated.

8. **Fees, Expenses and Charges.** Unless otherwise stated herein, Seller and Bidder shall be liable 50/50 for the expenses and charges of the Escrow Agent, including reasonable fees, expenses, and charges in connection with this Escrow Agreement and its services hereunder, which expenses and charges shall be payable on demand. The Escrow Agent may deduct unpaid expenses and charges from amounts otherwise distributable to Seller for its half and bill Bidder for its half.

9. **Notices and Instructions.** All notices, advice, and/or instructions ("Notices") provided for or permitted hereunder shall be in writing and shall be deemed given if delivered personally or mailed, by certified or registered mail, return receipt requested, with postage prepaid, and addressed to the parties hereto as follows:

a. If to Bidder:

Name: ______________________

Attn: ______________________

Address: ____________________

____

____

Phone: ______________________

Email: ______________________

With a copy to:

b. If to Seller:
Masters Place Condominiums
Property Owners Association, Inc.
Attn: Rusty Nabors, President
42 Pinion Causeway
Pagosa Springs, CO 81447

With a copy to:
K&L Gates, LLP
Attn: Daniel M. Eliades
One Newark Center – 10th Floor
Newark, New Jersey 07102
Phone: 973-848-4018
Email: Daniel.Eliades@klgates.com

c. If to Escrow Agent:
Bank of the San Juans

With a copy to:
Bank of the San Juans

10. Entire Agreement; Governing Law. This Escrow Agreement contains the entire agreement of the Parties with regard to the matters set forth herein and it may not be amended or modified except in writing signed by all of the Parties hereto. This Escrow Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado and the Escrow Account shall be administered at the offices of the Escrow Agent.

11. Successors and Assigns. This Escrow Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns. This Escrow Agreement shall not be assignable by any of the Parties hereto without the prior written consent of the other Parties.

12. Counterparts. This Escrow Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute but a single instrument.

[Execution on Following Page(s)]

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the day last executed below.

SELLER:
Masters Place Condominiums Property Owners Association, Inc.,
a Colorado nonprofit corporation

By: Rusty Nabors Its: President	Date

BIDDER:

By: Its:	Date

ESCROW AGENT:
Bank of the San Juans

By: Its:	Date

Exhibit "A"
Legal Description

Building 001C, Units 7301-7308; and
Building 002C, Units 7309-7320

Of Masters Place Condominiums, as more fully described and set forth in Declaration of Condominium for Masters Place Condominiums, recorded March 14, 1989, at Reception No. 161911, Official Records Archuletta County, Colorado, as the same has been amended, supplemented, and/or restated.

Exhibit B
Escrow Agent's Wiring Instructions

EXHIBIT D

ENVIRONMENTAL DOCUMENTS

- Phase I Environmental Site Assessment, Dated December 31, 2025

EXHIBIT E

MAINTENANCE TASKS

1. Inspect the Property no less frequently than weekly to determine whether utilities are functioning, property damage has occurred, and whether animals have entered the Property, and timely remediate any issues noted by the inspector; provided that property damage, if any, due to casualty shall be addressed as provided in Section 13.1.

2. Use commercially reasonable efforts to remove rodents/varmints) from crawl spaces and reinstall vent covers that have fallen off outside of crawl spaces.

3. Lawn mowing and snow removal as required.

4. Maintenance of existing lighting in working order.

5. Maintain in force a pest extermination contract with a third-party vendor, such as Orkin, for inside and outside service, to include spraying for spiders, ants, and putting out mouse traps, spider traps and other if needed.

SCHEDULE 1

(Executory Contracts)

None

SCHEDULE 2

(Unexpired Leases)

None

SCHEDULE 3

(Equipment Leases)

None

AGENDA BRIEF

MEETING: Town Council Special Meeting
FROM: David Harris

PROJECT:	Ordinance 1031 (Series 2026), First Reading, An Ordinance Authorizing the Acquisition of Real Property known as Village Point Condominiums in Pagosa Springs, Colorado
ACTION:	Discussion and Action

PURPOSE/BACKGROUND:

ATTACHMENTS:

1. Ordinance 1031 Authorizing Acquisition of Village Pointe Condominiums Property Owners Association, Inc.

TOWN OF PAGOSA SPRINGS, COLORADO

ORDINANCE NO. 1031
(SERIES 2026)

AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY KNOWN AS VILLAGE POINTE CONDOMINIUMS IN PAGOSA SPRINGS, COLORADO

WHEREAS, the Town of Pagosa Springs ("Town") is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Pagosa Springs Home Rule Charter of 2003 as amended ("Charter"); and

WHEREAS, pursuant to Section 1.4 of the Charter, the Town has all the power of local self-government and home rule and all power possible for a municipality to have under the Constitution and laws of the State of Colorado; and

WHEREAS, pursuant to Section 12.19 of the Charter, the Town Council of the Town (the "Town Council") may by ordinance purchase, sell, exchange, receive by donation, enter into a lease for greater than two years, or dispose of any interest in real property including easements; and

WHEREAS, the Town Council desires to acquire certain real property known as the Village Point Condominiums, 604 Eagles Loft Circle, Units 7501 through 7532 and together with all common elements owned or associated with Village Point Condominiums Property Owners Association, Inc., Pagosa Springs, Colorado (the "Property"); and

WHEREAS, the Property is currently subject to that certain bankruptcy proceeding Case No. 26-10314, filed in the US Bankruptcy Court for the District of Colorado, pursuant to which Village Point Condominiums Property Owners Association, Inc. ("Seller") is seeking to sell the Property; and

WHEREAS, the Town Council hereby finds and determines that acquisition of the Property is appropriate and necessary to the function and operation of the Town and wishes to enter into the Purchase and Sale Agreement with Seller attached hereto as Exhibit A and incorporated herein by reference ("Contract") to purchase the Property for the purchase price set forth therein and, if the Property proceeds to auction, to authorize the Town Manager to increase the purchase price set forth therein (such purchase price, the "Purchase Price") and amend other terms of the Contract as appropriate.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, as follows:

Section 1. Incorporation of Recitals. The above Recitals are hereby incorporated into this Ordinance by this reference.

Section 2. Authorization of Contract. The Contract, in substantially the form attached as Exhibit A, is in all respects approved, authorized and confirmed. The Council hereby approves the purchase of the Property by the Town.

Section 3. Authorization of Earnest Money. Earnest Money, in an amount of 10% of Purchase Price is approved, authorized and confirmed.

Section 4. Authorization of Bid Amount. If the Property proceeds to auction as provided in the Sale Procedures approved in the bankruptcy proceeding, the Town Manager, in consultation with the Town's Finance Director, Financial Advisor, Development Director, Housing Coordinator, Town Attorney and Special Counsel, may increase the Purchase Price to an amount that can be reasonably financed so that project revenues will be equal to or exceed acquisition cost for the Property and amend other terms of the Contract as appropriate.

Section 5. Execution of Miscellaneous Documents. The Town Manager and/or the Mayor are authorized and directed to execute the Contract in substantially the form attached (and any appropriate amendments thereto) and related documents necessary to purchase the Property, for and on behalf of the Town. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Council or the Town on the Contract.

Section 6. Public Inspection. The full text of this Ordinance, with any amendments, is available for public inspection at the office of the Town Clerk.

Section 7. Severability. If any portion of this Ordinance is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

Section 8. Public Hearing. A public hearing on this Ordinance shall be held on the _____ day of _________________, 2026, at ____ p.m. at the Pagosa Springs Town Hall, 551 Hot Springs Boulevard, Pagosa Springs, Colorado.

Section 9. Effective Date. This Ordinance shall become effective and be in force immediately upon final passage at second reading.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, B) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE 10th DAY OF June, 2026.

TOWN OF PAGOSA SPRINGS, COLORADO

By:___________________________________
Shari Pierce, Mayor

ATTEST:

By:________________________
April Hessman, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, D) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS [REGULAR/SPECIAL] MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE _______ DAY OF ________________, 2026.

TOWN OF PAGOSA SPRINGS, COLORADO

By:_____________________________________
Shari Pierce, Mayor

ATTEST:

By:__________________________
April Hessman, Town Clerk

EXHIBIT A

Purchase and Sale Agreement

CERTIFICATE OF PUBLICATION

I, the duly appointed, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. ___ (Series 2026) was approved by the Town Council of the Town of Pagosa Springs on first reading at its regular meeting held on the ____ day of ________, 2026, and was published by title only, along with a statement indicating that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on _________, 2026, which date was at least ten (10) days prior to the date of Town Council consideration on second reading.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this __ day of _________, 2026.

April Hessman, Town Clerk

(S E A L)

I, the duly appointed, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. ___ (Series 2026) was approved by the Town Council of the Town of Pagosa Springs on second reading, at its regular meeting held on the ___ day of ___________, 2026, and was published by title only, along with a statement indicating the effective date of the Ordinance and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on _____________, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this ___ day of _________, 2026.

April Hessman, Town Clerk

(S E A L)

STALKING HORSE PURCHASE AND SALE AGREEMENT

THIS STALKING HORSE PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of this 10th day of June, 2026 (the "Effective Date") by and between Village Pointe Property Owners Association, Inc. ("Seller" or "Property Association" or "Debtor"), and the Town of Pagosa Springs, a municipal corporation and political subdivision of the State of Colorado ("Purchaser"). Seller and Purchaser are sometimes referred to herein individually as a "Party", and collectively as the "Parties".

WHEREAS, Seller desires to sell certain property located at 604 Eagle's Loft Cir., Pagosa Springs, Colorado, consisting of 6 buildings containing 32 condominium units as more particularly described on **Exhibit A** attached hereto (the "Property" as defined below). The Property is operated as a timeshare resort.

WHEREAS, there are 32 condominium units at the Property, each of which contains 52-unit weeks resulting in a total of 1,664-unit weeks (or intervals) in the condominium (each, an "Interval"). Each Interval constitutes a tenant-in-common fee simple interest in the Property and, collectively, constitute the entire fee simple interest in the Property.

WHEREAS, all owners of Intervals are members of the Property Association ("Association Members").

WHEREAS, pursuant to a Special Warranty Deed dated September 3, 2025, the Property Association owns the following 32 Intervals:

- *Building 1, Units 7501,7502, 7503, and 7504, Week 44;*
- *Building 2, Units 7505,7506, 7507, and 7508, Week 45;*
- *Building 3, Units 7509,7510, 7511, and 7512, Week 45;*
- *Building 4, Units 7513,7514, 7515, and 7516, Week 16;*
- *Building 5, Units 7517,7518, 7519, 7520, 7521,7522, 7523, and 7524, Week 15; and*
- *Building 6, Units 7525, 7526, 7527, 7528, 7529, 7530, 7531, and 7532, Week 15.*

WHEREAS, the Special Warranty Deed was recorded on September 4, 2025, in the Clerk's Office as Reception No. 22503611 of the public records of Archuleta County, Colorado.

WHEREAS, Seller owns the 32 referenced Intervals at the Property and a concomitant share of the common elements at the Property (the "Association Interest"), which comprises 1.92% of the total Intervals at the Property. (The Intervals owned by the Property Association are sometimes referred to as the maintenance weeks.) The Property Association owns the 32 referenced Intervals as a tenant-in-common with all other Interval owners.

WHEREAS, First American Trust, FSB, as Trustee, Duly Appointed Under the Declaration of Trust for the Club Wyndham Access Vacation Ownership Plan ("First American Trust") owns 408 intervals at the Property, which is 24.52% of the total Intervals. WorldMark, the Club (the "Club") owns 632 Intervals at the Property, which is 37.98% of the total Intervals. Wyndham Vacation Resorts, Inc. ("WVR") owns 134 Intervals at the Property, which is 8.05% of the total Intervals. The remaining 458 Intervals (27.53% of the total Intervals) are owned by parties to corresponding contracts ("Interval Owners"), with each Interval having its own separate corresponding contract.

WHEREAS, First American Trust, the Club, WVR, and Interval Owners are all Association Members and own the Intervals.

WHEREAS, The Property is subject to the Declaration of Restrictions Second Replat of South Village Lake recorded in Book 190, at Page 760 in the Clerk's Office, and the Supplemental Declaration of Restrictions recorded in Book 201, at Page 15 in the Clerk's Office, and the Declaration of Restrictions Pagosa recorded on the June 24, 1970 in Book 122, Page 224 in the Clerk's Office – collectively, the "Master Declaration". The Master Declaration provides that the Property (Village Pointe Condominiums) is a subdevelopment within a larger master development known as Fairfield Pagosa.

WHEREAS, The Master Declaration also provides that (i) Association Members are also members of the Master Association, and (ii) are obligated to make periodic payments to the Master Association for the "operation and use, of all recreational facilities, and other properties within the Subdivision as it may from time to time own or agree to maintain."

WHEREAS, on January 20, 2026, Seller filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado ("Bankruptcy Court"), which is administered under Case Number 26-10314 ("Bankruptcy Case"). The Debtor in the Bankruptcy Case is the Seller.

WHEREAS, on April 17, 2026, the Debtor filed (a) a *Motion for Entry of an Order (I) (A) Approving Auction and Bidding Procedures, (B) Authorizing the Debtor to Designate a Stalking Horse Bidder, (C) Scheduling Bid Deadlines and Auction, and (D) Approving the Form and Manner of Notice Thereof, and (II) Granting Related Relief* [ECF No. 129] (the "Sale Procedures Motion"), and (b) the Plan.

WHEREAS, the Bankruptcy Court granted the Sale Procedures Motion by order dated May 13, 2026 [ECF No. 145] (the "Sale Procedures Order").

WHEREAS, Seller has designated the Purchaser as a Qualified Bidder and the Stalking Horse Bidder (as each such term is defined in the Sale Procedures Order) for the purchase of the Property and has designated this Agreement as a Qualified Bid and the Stalking Horse Agreement (as each such term is defined in the Sale Procedures Order), each in accordance with the Sales Procedures Order.

WHEREAS, the Debtor intends to file one or more adversary proceedings in the Bankruptcy Case pursuant to section 363(h) of the Bankruptcy Code, pursuant to which Debtor will seek entry of orders and/or judgments authorizing the sale of all right, title and interest of Seller and all other Association Members in the Property (the "Section 363(h) Proceedings").

WHEREAS, Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, on the terms set forth in this Agreement, in accordance with and pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code").

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Recitations. The foregoing recitations are true and correct and are incorporated into this Agreement as if fully set forth herein.

1.2 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the meanings set forth in this Section 1.2. Any capitalized term in the Agreement that is not defined herein shall have the meaning ascribed to it in the Sale Procedures Order.

"Affiliate" means, with respect to the Person in question, any other Person that, directly or indirectly, (i) owns or controls fifty percent (50%) or more of the outstanding voting and/or equity interests of such Person, or (ii) controls, is controlled by or is under common control with, the Person in question. For the purposes of this definition, the term "control" and its derivations means having the power, directly or indirectly, to direct the management, policies or general conduct of business of the Person in question, whether by the ownership of voting securities, contract or otherwise.

"Alternative Transaction" means any transaction or series of related transactions with any party(ies) other than Purchaser, pursuant to which Seller sells, transfers or otherwise disposes of all or any portion of the Property, including through a sale transaction or a plan of reorganization approved by the Bankruptcy Court.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other Applicable Law addressing or in any way relating to terrorist acts and acts of war.

"Applicable Law" means (i) all federal, state, and local statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority, stock exchange, board of fire underwriters and similar quasi-governmental authority, and (ii) any judgment, injunction, order or other similar requirement of any court or other adjudicatory authority, in effect at the time in question and in each case to the extent the Person or property in question is subject to the same.

"Association" shall mean, only for purposes of Section 2.6 hereof, the Property Association and the Master Association.

"Assumed Liabilities" has the meaning set forth in Section 2.4 hereof.

"Auction" shall have the meaning set forth in the Sale Procedures Order.

"Back-Up Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Business Day(s)" shall mean every day other than (i) Saturdays, (ii) Sundays, (iii) all days observed by the Federal Government of the United States as legal holidays and (iv) all days on which commercial banks in Colorado are required by law to be closed.

"Casualty" has the meaning set forth in Section 13.1 hereof.

"Closing" has the meaning set forth in Section 10.1 hereof.

"Closing Condition Date" has the meaning set forth in Section 10.1 hereof.

"Closing Date" has the meaning set forth in Section 10.1 hereof.

"Closing Statement" means a closing statement prepared by the Title Company in connection with Closing.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations, rulings and guidance issued by the Internal Revenue Service.

"Community" shall mean, only for purposes of Section 2.6 hereof, the common interest community administered by the Property Association and the common interest community administered by the Master Association.

"Condemnation" has the meaning set forth in Section 13.2 hereof.

"Confirmation Order" means a Final Order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

"Contracts" means, collectively, the Leases and Executory Contracts and any written or oral note, bond, mortgage, contract, license, lease, sublease, covenant, commitment, power of attorney, proxy, indenture, or other binding agreement or arrangement.

"COPs" has the meaning set forth in Section 4.3 hereof.

"Cure Amounts" or "Cure Costs" mean the aggregate monetary sum required to be paid to the counterparties under the Purchased Contracts to be assigned by the Seller and assumed by Purchaser in accordance with Section 2 hereof.

"Deeds" has the meaning set forth in Section 10.2.1(a) hereof.

"Earnest Money" means, at the time in question, the Earnest Money Deposit (as defined in Section 3.2.1 hereof) (and any additional amounts as may be deposited with Escrow Agent), together with all interest and any other amounts earned thereon.

"Earnest Money Escrow Agreement" has the meaning set forth in Section 3.2.1 hereof.

"Environmental Claims" means all claims for reimbursement, remediation, abatement, removal, clean up, contribution, personal injury, property damage or damage to natural resources made by any Governmental Authority or other Person arising from or in connection with the (i) presence or actual or potential spill, leak, emission, discharge or release of any Hazardous

Substances over, on, in, under or from the Property, or (ii) violation of any Environmental Laws with respect to the Property.

"Environmental Laws" means any Applicable Laws which regulate the manufacture, generation, formulation, processing, use, treatment, handling, storage, disposal, distribution or transportation, or an actual or potential spill, leak, emission, discharge or release of any Hazardous Substances, pollution, contamination or radiation into any water, soil, sediment, air or other environmental media, including, without limitation, (a) the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §§ 9601 et seq.) ("CERCLA"); (b) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.) ("RCRA"); (c) the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq. (1969), as amended); (d) the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.); (e) the Clean Air Act (42 U.S.C. §§ 7401 et seq.); (f) the Clean Water Act (33 U.S.C. §§ 1251 et seq.); (g) the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); (h) the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.); (i) any state, county, municipal or local Applicable Laws similar or analogous to the federal statutes listed in parts (a)-(h) of this definition; and (j) any rules, regulations, directives, or orders pursuant to or implementing the Applicable Laws listed in parts (a)-(i) of this definition.

"Escrow Agent" means Bank of the San Juans.

"Executory Contract" means any existing executory contract or unexpired lease of personal property between any Seller and any other Person or Persons regarding the Property.

"Executory Contract Order" means a Final Order, in form and substance reasonably acceptable to Purchaser, granting the Assumption/Rejection Motion as defined below.

"Final Order" means an Order of the Bankruptcy Court or a court of competent jurisdiction to hear appeals from the Bankruptcy Court that has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing shall then be pending; provided, however, that the possibility that a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.

"Governmental Authority" means any federal, state or local government or other political subdivision thereof, including, without limitation, any Person exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question. For the avoidance of doubt, Governmental Authority shall include any government agency or body responsible for enacting tax laws, assessing taxes, enforcing tax compliance, or collecting tax revenue.

"Hazardous Substances" means all substances, chemicals, wastes, materials, pollutants, or contaminants defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as hazardous or toxic by, or regulated as such under, any applicable Environmental Law, including

RCRA hazardous wastes, CERCLA hazardous substances, asbestos, toxic mold, and polychlorinated biphenyls.

"Land" has the meaning set forth in Section 2.1.1 hereof.

"Lease" means any lease, master lease, sublease or sub-sublease, letting, license, sublicense or sub-sublicense, concession, or other agreement (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy, all or any portion of the Property, and every modification, amendment, or other agreement (whether written or oral) relating to such lease, license, or other agreement entered into in connection with such lease, license, or other agreement, whether in existence before or after the Petition Date. A list of "Unexpired Leases" is attached at **Exhibit B** hereto.

"Liability" or "Liabilities" means any liability, obligation, damage, loss, diminution in value, cost or expense of any kind or nature whatsoever, whether accrued or unaccrued, actual or contingent, known or unknown, foreseen or unforeseen.

"Lien" means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any "lien" as defined in Section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

"Master Association" means the Pagosa Lakes Property Owners Association, a Colorado nonprofit corporation.

"Material Casualty" has the meaning set forth in Section 13.1.1 hereof.

"Material Condemnation" has the meaning set forth in Section 13.2.1 hereof.

"Order" means an order or judgment entered in the Bankruptcy Case (or in any adversary proceeding filed in the Bankruptcy Case) by the Bankruptcy Court as entered on the docket for the Bankruptcy Case (or adversary proceeding) as well as any writ, judgment, decree, award, ruling, subpoena, verdict, injunction or similar order of any Governmental Authority (in each such case whether preliminary or final).

"Permitted Exception(s)" has the meaning set forth in Section 5.3 hereof.

"Person" means any natural person, corporation, general or limited partnership, limited liability company, association, joint venture, trust, estate, Governmental Authority or other legal entity, in each case whether in its own or a representative capacity.

"Petition Date" means January 20, 2026, the date upon which the Debtor filed a petition commencing the Bankruptcy Case.

"Plan" means the *Plan of Liquidation* [ECF No. 132] filed in the Bankruptcy Case, as same may be modified, amended or supplemented from time to time.

"Property" has the meaning set forth in Section 2.1 hereof.

"Property Association" has the meaning set forth in the Preamble hereof.

"Prorations" has the meaning set forth in Section 11.1 hereof.

"Rejected Contract(s)" means those Executory Contracts and Leases which are rejected by the Debtor pursuant to Section 365 of the Bankruptcy Code.

"Rejection Claim" means any claim under the Bankruptcy Code that arises in favor of the third party to any Executory Contract or Lease that is a Rejected Contract.

"Related Bankruptcy Cases" means the Chapter 11 bankruptcy cases of the Related Debtors, administered under Case Numbers 26-10311 and 26-10313, each pending in the Bankruptcy Court.

"Related Debtor Bids" means the bids submitted by Purchaser in connection with the Related Debtor Sales.

"Related Debtor Sales" mean sales of the property of the Related Debtors pursuant to procedures substantially similar to the Sale Procedures.

"Related Debtors" means Elk Run Property Owners Association, Inc. and Masters Place Condominiums Property Owners Association, Inc., as Chapter 11 debtors in possession in the Related Bankruptcy Cases.

"Release" means any release, spill, emission, discharge, leaking, leaching, pumping, pouring, dumping, emptying, injection, deposit, disposal of or migration into or through the indoor or outdoor environmental medium or into or out of any property.

"Sale Motion" shall mean a motion that seeks entry of the Sale Order

"Sale Order" shall mean a Final Order of the Bankruptcy Court, in form and substance reasonably satisfactory to Purchaser, approving this Agreement and the sale of the Property to Purchaser pursuant to Section 363(f) of the Bankruptcy Code and authorizing Debtor to sell, assign, and transfer all right, title and interest of Seller and all other Association Members in the Property, free and clear of all Liens, interests, encumbrances and claims (including successor liability claims) other than the Permitted Exceptions.

"Sale Procedures" means the auction and bidding procedures set forth in the Sale Procedures Order.

"Section 363(h) Proceedings" shall have the meaning set forth in the recitals hereto.

"Section 363(h) Proceeding Judgments" shall mean the Final Orders of the Bankruptcy Court entered in the Section 363(h) Proceedings, in form and substance reasonably satisfactory to Purchaser, authorizing Seller to sell, assign and transfer all right, title and interest of Seller and all other Association Members in the Property pursuant to Section 363(h) of the Bankruptcy Code.

"Seller Parties" means, collectively, Seller and each of the other Association Members.

"Stalking Horse Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Stalking Horse Motion" shall mean a motion, in form and substance acceptable to Purchaser, that seeks entry of the Stalking Horse Order.

"Stalking Horse Order" shall mean a Final Order of the Bankruptcy Court, in form and substance reasonably acceptable to Purchaser, that, among other things, (a) approves Seller's designation of Purchaser as a Qualified Bidder and the Stalking Horse Bidder, (b) approves Seller's designation of this Agreement as a Qualified Bid and the Stalking Horse Bid, (c) approves payment of the Break-Up Fee and the Expense Reimbursement as superiority administrative expense claims pursuant to Sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code on the terms and conditions contained in this Agreement, and (d) authorizes Purchaser to receive credit for the amount of the Break-Up Fee and the maximum Expense Reimbursement amount in connection with any subsequent bid it makes for the Property.

"Stalking Horse Protections" shall have the meaning set forth in Section 12.3 hereof.

"Successful Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Taxes" means any federal, state, local or foreign, real property, personal property, sales, use, room, occupancy, ad valorem (real or personal property) or similar taxes, assessments, levies, charges or fees imposed by any Governmental Authority on Seller with respect to the Property, including any assessment, interest, penalty or fine with respect thereto, but expressly excluding any (i) federal, state, local or foreign income, capital gain, gross receipts, capital stock, franchise, profits, estate, gift or generation skipping tax or (ii) transfer, documentary stamp, recording or similar tax, levy, charge or fee incurred with respect to the transaction described in this Agreement.

"Tenant" means a Person counterparty to a Lease entered into with the Seller.

"Title Commitments" has the meaning set forth in Section 5.1 hereof.

"Title Company" means First National Title Insurance Company.

"Unpermitted Exceptions" has the meaning set forth in Section 5.3 hereof.

1.3 Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

1.3.1. All references herein to articles or sections without reference to a specific document are references to articles or sections of this Agreement.

1.3.2. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement in its entirety and not the article or section of this Agreement in which they appear.

1.3.3. The word "including" means "including but not limited to."

1.3.4. All Recitals and Exhibits to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement.

ARTICLE II
THE PROPERTY AND LIABILITIES

2.1 Description of the Property. Subject to the terms set forth in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Purchaser, and Purchaser shall purchase and accept from Seller, all right, title and interest of Seller and all other Association Members in and to the property and assets set forth in this Section 2.1 (collectively, the "Property"):

2.1.1. all of the fee simple interest in, to and under the land described in **Exhibit A** attached hereto, (collectively, the "Land");

2.1.2. all right, title and interest in, to and under all privileges and easements appurtenant to the Land, including, without limitation, right, title and interest of Seller and all other Association Members in, on and under the Land, all easements, rights of way or other appurtenances used or useful in connection with the beneficial use and enjoyment of the Land, all development rights and credits, including air rights, if any, all strips and gores, streets, alleys, easements, rights-of-way, public ways, or other rights appurtenant, adjacent, or connected to the Land, and all assignable permits, licenses, approvals and authorizations issued by any Governmental Authority, quasi-governmental authority or utility provider (collectively, the "Appurtenances");

2.1.3. all right, title and interest in and to all improvements and fixtures located on the Land, including, without limitation, all furniture, fixtures, and appliances (to the extent the same are fixtures) located in the 20 units that comprise the Property together with all buildings and structures located on the Land (collectively, the "Improvements");

2.1.4. subject to the provisions of Section 2.2 hereof, all right, title and interest of Seller and all other Association Members in and to the Executory Contracts and Unexpired Leases identified on **Schedule 1** and **Schedule 2**, respectively, attached hereto;

2.1.5. subject to the provisions of Section 2.2 hereof, all leases and purchase money security agreements for any equipment, machinery, vehicles, furniture or other personal property located at the Property, together with all deposits made thereunder, to the extent the same and such deposits are transferable or the Parties obtain any consent necessary to effectuate such a transfer (collectively, the "Equipment Leases") each of which are referenced on **Schedule 3** attached hereto;

2.1.6. all right, title and interest in and to water, water rights, raw water and irrigation rights and shares in any ditch, reservoir, water or similar company, relating to the Land;

2.1.7. all right, title and interest in and to minerals, oil, gas, and other hydrocarbon substances in, under, or that may be produced from the Land, if any; and

2.1.8. (a) all improvement plans, drawings and specifications (including, without limitation, CAD files), and all credits and reimbursements relating to the Property; (b) all books, records, reports, test results, environmental assessments, if any, as-built plans, specifications, and other similar documents and materials relating to the use, operation, maintenance, repair, construction, or fabrication of all or any portion of the Property; (c) all transferable architectural, site, landscaping or other permits, applications, approvals, authorizations, and other entitlements affecting any portion of the Property; (d) all transferable guarantees, warranties, and utility contracts relating to all or any portion of the Property; and (e) all utility fees and deposits, utility line extension reimbursements and other reimbursements, all to the extent in Seller's possession or control.

2.2 Executory Contracts and Unexpired Leases.

2.2.1. Purchaser hereby designates the Executory Contracts, Unexpired Leases, and Equipment Leases identified on **Schedule 1, Schedule 2, and Schedule 3** hereto as "Purchased Contracts" under this Agreement. Any Executory Contracts, Unexpired Leases, and Equipment Leases that are not identified on **Schedule 1, Schedule 2, and Schedule 3** hereto shall be deemed an "Excluded Contract" under this Agreement. Any Excluded Contract may be assumed or rejected by Seller in its sole discretion.

2.2.2. Within three (3) Business Days after the completion of the Auction, the Seller shall file a motion with the Bankruptcy Court regarding the proposed assumption or rejection of Purchased Contracts and Excluded Contracts (the "Assumption/Rejection Motion"). The Assumption/Rejection Motion shall provide all applicable counterparties with (i) notice of the proposed treatment of their respective executory contract(s) or unexpired lease(s); (ii) the amount to be paid, if any, to cure any existing default(s) – the Cure Costs; (iii) establishing deadlines for objection to the proposed treatment of the executory contract and/or unexpired lease as set forth in the Assumption/Rejection Motion, including payment of the Cure Costs; and (iv) establishing a hearing date for the resolution of any filed objections to the Assumption/Rejection Motion.

2.2.3. Subject to entry of the Executory Contract Order, on the Closing Date the Purchased Contracts shall be deemed assumed by the Seller and assigned to Purchaser pursuant to Sections 365(b)(l)(A) and (B) and 365(f) of the Bankruptcy Code. In addition to the Purchase Price, Purchaser shall assume all obligations and Liabilities under the Purchased Contracts, including any Cure Amounts allowed by Final Order. For the avoidance of doubt, after the Closing Seller shall not be responsible for compliance with any Purchased Contract and shall not be responsible for any costs associated therewith. If there are any costs or fees associated with the assignment of a Purchased Contract to Purchaser, Purchaser shall be responsible for payment of all such costs and fees. All Cure Costs shall be the responsibility of Purchaser, in addition to the Purchase Price and payment of Cure Costs shall not be credited against or deducted from the Purchase Price.

2.2.4. Purchaser shall have no Liabilities for any Cure Costs or Rejection Claim of a counterparty to an Excluded Contract.

2.2.5. Notwithstanding the foregoing, so long as an Excluded Contract has not been rejected by the Seller pursuant to Section 365 of the Bankruptcy Code and Final Order of the Bankruptcy Court, Seller shall, upon written request by Purchaser, seek to assign such Excluded Contract to Purchaser, and Purchaser shall assume the same in accordance with Sections 2.2 hereof.

2.3 Cure Costs. Subject to the entry of the Executory Contract Order, Cure Costs shall be paid at the Closing (or in the case of a dispute, the disputed amount shall be escrowed at the Closing with the Escrow Agent pursuant to an escrow arrangement reasonably acceptable to Seller and Purchaser).

2.4 Assumed Liabilities. At Closing, Purchaser shall assume all Liabilities arising or occurring from and after the Closing with respect to the Property and the Purchased Contracts, but expressly excluding the Retained Liabilities (all Liabilities, except for the Retained Liabilities, shall be referred to herein as "Assumed Liabilities").

2.5 Retained Liabilities. At Closing, Seller shall retain all Liabilities to the extent arising or occurring prior to the Closing Date with respect to the Property, the Purchased Contracts or the Excluded Contracts (the "Retained Liabilities").

2.6 Owner's Association.

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

2.6.2 Association Documents to Purchaser. Upon Purchaser's written request, Seller shall provide to Purchaser the requested Association Documents (defined below), at Seller's expense, within five (5) Business Days after Purchaser's request. Seller authorizes the Association to provide the Association Documents to Purchaser, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Purchaser's receipt of the requested Association Documents, regardless of who provides such documents.

2.6.3 Association Documents. Association documents ("Association Documents") may consist of any of the following:

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

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

(C) List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, 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);

(D) 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;

(E) 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 (§§ (D) and (E), collectively, Financial Documents);

(F) 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 including any problems or defects in the common elements or limited common elements of the Association property.

2.7 Survival. The Parties rights and obligations under this Article II shall survive the Closing.

ARTICLE III
PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Property is Four Million Seven Hundred Twenty-One Thousand Four Hundred Seventy Two and 00/100 Dollars ($4,721,472) (the

"Purchase Price"), as adjusted by the prorations and adjustments provided elsewhere in this Agreement.

3.2 Earnest Money.

3.2.1. Earnest Money Deposit. Upon the latest of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder, Purchaser shall deposit with Escrow Agent the sum which is equal to five percent (5%) of the Purchase Price (the "Earnest Money Deposit"). In the event that Purchaser is subsequently selected as the Successful Bidder or the Back-Up Bidder after the conclusion of the Auction, Purchaser shall increase the Earnest Money Deposit to ten (10%) of the Purchase Price within two (2) Business Days after the conclusion of the Auction. The Earnest Money Deposit shall be held by Escrow Agent in escrow as earnest money pursuant to the escrow agreement in substantially the form attached hereto as **Exhibit C**, entered into among Seller, Purchaser and Escrow Agent (the "Earnest Money Escrow Agreement"). Escrow Agent shall hold the Earnest Money Deposit in an interest-bearing account insured by the FDIC or in short-term debt instruments issued by the Treasury of the United States. Such account or debt instruments shall have no penalty for early withdrawal. The Earnest Money Deposit shall be maintained by the Escrow Agent to comply with the requirements of the Bankruptcy Court and the Sale Procedures Order. **EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE EARNEST MONEY DEPOSIT SHALL BE NONREFUNDABLE TO PURCHASER.**

3.2.2. Disbursement of Earnest Money. At Closing, the Earnest Money shall be applied to the Purchase Price. If this Agreement is terminated for any reason and Purchaser is not entitled to a refund of the Earnest Money pursuant to the express provisions of this Agreement, the Earnest Money shall be disbursed in accordance with the provisions of the Earnest Money Escrow Agreement and/or other applicable Order. If this Agreement is terminated by Purchaser pursuant to Sections 4.3, 5.3, 5.4. 9.1.2, 9.2.2, 9.4, 12.1, 13.1.1, or 13.2.1, the Earnest Money shall be refunded to Purchaser within five (5) Business Days of such termination. Seller and Purchaser shall deliver joint written instructions to the Escrow Agent to release the Earnest Money in accordance with this Section 3.2.2. This Section 3.2.2 shall survive the termination of this Agreement.

3.3 Payment of Purchase Price. At Closing, Purchaser shall deposit with Escrow Agent, in immediately available funds, an amount equal to the Purchase Price as adjusted by the prorations and adjustments provided elsewhere in this Agreement and less the Earnest Money.

3.4 Disbursement of Earnest Money and Purchase Price. The Purchase Price, inclusive of the Earnest Money, shall be distributed by the Escrow Agent in accordance with the provisions of the Sale Order and/or other applicable Order.

3.5 Like-Kind Exchange.

Notwithstanding anything to the contrary in this Agreement, each Party acknowledges and agrees that the other Party or Parties (as the case may be) has the right to designate this transaction to qualify as a tax-free exchange under Section 1031 of the Code, and that Purchaser shall have the right to assign this Agreement to a "qualified intermediary" (as defined in Treas. Reg. § 1.1031(k)-1(g)(4) of the Code) or such other entity or entities as is necessary to carry out a 1031 exchange. Each Party shall execute and deliver such documents as may reasonably and customarily be required to complete the transactions contemplated by any such tax-free exchange, which are in form and substance reasonably acceptable to the other applicable Parties, and otherwise cooperate in all reasonable respects with respect to such tax-free exchange, provided that (i) Seller shall not be required to take title to any property, and (ii) neither such tax-free exchange nor Seller's cooperation therewith shall result in any delay to the Closing, nor the imposition of any cost or liability upon Seller or Purchaser, as the case may be.

ARTICLE IV
CONTINGENCIES

4.1 Contingencies. Purchaser acknowledges and agrees that Purchaser has completed all of its due diligence investigations with respect to the Property and is satisfied with the same. For the avoidance of doubt, it is expressly understood and agreed to by Purchaser that there is no due diligence or financing contingency, or other contingency under this Agreement, which gives Purchaser a right of termination, except as provided in Section 4.3. Purchaser's only termination rights are set forth in Sections 4.3, 5.3, 5.4, 9.1.2, 9.2.2, 9.4, 12.1, 13.1.1, and 13.2.1 hereof.

4.2 Ordinance Adoption. Purchaser's obligations under this Agreement shall be contingent upon (a) the approval of an ordinance approving this Agreement by Purchaser (the "Ordinance"), and (b) the Ordinance becoming final and effective (such events, the "Ordinance Adoption"). Purchaser shall commence the process for obtaining approval of the Ordinance upon the latest of (a) Purchaser's execution of this Agreement, (b) Seller's designation of Purchaser as the Stalking Horse Bidder, and (c) entry of the Stalking Horse Order. If Ordinance Adoption has not occurred within forty-five (45) days after commencement of the process for obtaining approval of the Ordinance, Seller may terminate this Agreement, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3 hereof and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination.

4.3 Bond Financing. Purchaser intends to issue Certificates of Participation ("COPs") in an amount sufficient to finance the acquisition of the Property and the property identified in the Related Debtor Bids. In connection with the issuance of the COPS, Purchaser will obtain a credit rating for the issuance of the COPs by no later than January 31, 2027. Purchaser shall use best efforts to obtain a credit rating from a nationally recognized rating organization of not less than BBB. In the event that Purchaser receives a credit rating of less than BBB from a nationally recognized rating organization for the issuance of the COPs, then Purchaser, by notice to Seller no later than five (5) Business Days following receipt of its credit rating, may elect to terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination.

ARTICLE V
TITLE TO THE PROPERTY

5.1 Title Commitments and Surveys. Purchaser, at its sole cost and expense, will expeditiously obtain a commitment for an owner's title insurance policy (or policies, as the case may be) for the Property from the Title Company (collectively, the "Title Commitment"). Seller shall provide Purchaser with copies of all title reports, title commitments, title policies, and surveys related to the Property to the extent in the possession of Seller.

5.2 Exceptions to Title. Except as provided in this Agreement or otherwise accepted by Purchaser in writing, the sale of the Property to Purchaser hereunder shall be subject to the Permitted Exceptions defined below but otherwise free and clear of any Liens, claims, encumbrances, and interests and shall transfer all interests of all Association Members in the Property to Purchaser.

5.3 Permitted Exceptions and Unpermitted Exceptions. Within five (5) Business Days of its receipt of the Title Commitment (and each update thereto), Purchaser shall give written notice to Seller (the "Exception Notice") of all of Purchaser's exceptions to title which Purchaser is unwilling to take title subject to (the "Unpermitted Exceptions"). Any exception to title not raised as an Unpermitted Exception shall be deemed permitted (the "Permitted Exception(s)"). The Property's subjection to the Master Declaration shall be a Permitted Exception. Other than Permitted Exceptions, Seller shall notify Purchaser within seven (7) Business Days after receipt of an Exception Notice whether it will cure the Unpermitted Exceptions listed therein. If Seller fails to timely notify Purchaser that Seller will cure all Unpermitted Exceptions, Seller shall be deemed to have elected not to cure all Unpermitted Exceptions. If Seller notifies Purchaser that Seller will not cure all Unpermitted Exceptions (or is deemed to have elected not to cure all Unpermitted Exceptions per the previous sentence), then, within five (5) Business Days thereafter, Purchaser shall, by notice to Seller either (i) elect to terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination, or (ii) accept any Unpermitted Exceptions that Seller will not cure as Permitted Exceptions, which acceptance (absent agreement of the Parties to the contrary) shall be without any reduction to the Purchase Price. Purchaser shall cause copies of all updates and/or continuations of the Title Commitments to concurrently be delivered to Seller's attorneys. Purchaser acknowledges and agrees that Purchaser shall be obligated to take title to the Property and complete the Closing subject to all Permitted Exceptions.

5.4 Failure to Cure. If Seller elects to cure any Unpermitted Exceptions, Seller shall have until the Closing Date (as the same may be adjourned, extended, or postponed by Seller or Purchaser pursuant to the terms hereof) to cure any such Unpermitted Exceptions. Cure may be provided by a title endorsement in form and content reasonably satisfactory to Purchaser. In the event that Seller shall be unable to deliver title as required under this Article V, including without limitation, the curing of any Unpermitted Exceptions, Purchaser's sole and exclusive right shall be either to (i) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination, or (ii) proceed to Closing pursuant to this Agreement and accept title to the Property subject to the Unpermitted

Exceptions, which thereafter shall be deemed to constitute Permitted Exceptions and (absent agreement of the Parties to the contrary) shall be without any reduction to the Purchase Price. Notwithstanding anything to the contrary set forth in this Agreement, Seller shall have the right extend the Closing Date for a period of up to sixty (60) days in order to effect the cure of any Unpermitted Exceptions.

5.5 Conveyance of the Property. At Closing, Seller shall convey insurable fee simple title (as determined by the Title Company) to the Property, subject to all Permitted Exceptions and otherwise in accordance with the terms of the Plan, the Sale Order and/or other applicable Order.

5.6 Section 363 and 365 Transaction. Purchaser's acquisition of the Property shall be free and clear of all rights, Liens, claims, interests and encumbrances of any kind, including without limitation those which have been or which could be asserted by any Association Member, pursuant to Section 363 of the Bankruptcy Code, including without limitation Bankruptcy Code Sections 363(b), (f), (h) and (m). The sale shall include all interests held by co-owners of the Property pursuant to Section 363(h) of the Bankruptcy Code, including any Association Member. Purchased Contracts shall be assumed and assigned pursuant to Section 365 of the Bankruptcy Code. Seller shall be responsible for timely giving all notices to any person or entity as required under the Bankruptcy Code and other Applicable Law, and such timely and effective notice shall be a condition to closing. Without limiting the generality of the foregoing, actual notice shall be given to any known creditors, other persons asserting any rights, Liens, claims, and interests in the Property (including Association Members) and counterparties to any Purchased Contract.

ARTICLE VI
CONDITION OF THE PROPERTY

6.1 Remediation Activities and Permits.

6.1.1. Current Regulatory Status of Property. A summary of the regulatory history and environmental condition of the Property is set forth in the informational documents listed in **Exhibit D**, which Purchaser acknowledges receiving from Seller or its consultants prior to the execution of this Agreement.

6.1.2. Remediation Activities. Purchaser shall be solely responsible at its sole cost and expense for completing any required remediation of environmental conditions at the Property which may exist as of the Closing Date and which may arise thereafter ("Remediation Activities").

6.2 Release and Indemnity. By accepting Seller's deeds at Closing, Purchaser irrevocably waives and releases, on behalf of Purchaser, Purchaser's agents, Purchaser's affiliates, agents, and all successors in title to the Property, any claims against Seller (and against Seller's members, managers, officers, representatives) as owner, operator or otherwise, arising out of or in connection with any conditions, including environmental and subsurface conditions, whether known or unknown, latent or apparent, and whether such claims are based on or sound in contract, tort, statute, common law liability, contribution, indemnity, strict liability or any other theory or cause of action. Further, Purchaser shall indemnify, defend and hold Seller harmless in respect of any and all claims, proceedings, losses, damages, liabilities and expenses, whether or not due and payable, asserted against, incurred or suffered by Seller due to any environmental condition alleged to have arisen after Closing or from the exacerbation after Closing of a condition of the Property that existed prior to Closing, up to the limits of Purchaser's applicable insurance, but only to the extent of insurance proceeds recovered by Purchaser. For the avoidance of misunderstanding, Seller understands that Purchaser is prohibited by Applicable Law from providing indemnification, defense, or hold harmless that requires the expenditure of funds by Purchaser and this Section 6.2 shall never be construed or interpreted to require the expenditure of funds by Purchaser.

6.3 'AS-IS', 'WHERE IS' Condition. Purchaser acknowledges and agrees that (a) the purchase of the Property shall be on an "As Is", "Where Is", "With All Faults" basis, subject to wear and tear from the Effective Date until Closing Date, and (b) except as expressly set forth in this Agreement, Seller has no obligation to repair any damage to or defect in the Property, replace any of the Property or otherwise remedy any matter affecting the condition of the Property. Upon Closing, Purchaser shall assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Purchaser's investigations, and Purchaser, upon Closing, except as otherwise expressly set forth in this Agreement, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any Applicable Laws (including, without limitation, any environmental laws) and any and all other acts, omissions, events, circumstances or matters regarding the Property. Seller agrees to maintain the Property in substantially the same condition as it is in as of the Effective Date of this Agreement to the Closing. Without limiting the generality of the immediately preceding sentence, Seller shall perform the tasks set forth on **Exhibit E** until the Closing; the performance of such tasks is a material obligation of Seller under this Agreement without which Purchaser would be unwilling to enter into this Agreement.

6.4 Inspection by Purchaser. Upon reasonable notice to Seller, Purchaser shall have the right from time to time to inspect the Property. Seller shall have the right, but no obligation, to have a representative accompany Purchaser during an inspection, but Seller shall not unduly delay inspections by Purchaser in order to provide a Seller representative.

6.5 OIL, GAS, WATER AND MINERAL DISCLOSURE

6.5.1. 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.

6.5.2. 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.

6.5.3. 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.

6.5.4. ADDITIONAL INFORMATION. PURCHASER 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.

6.6 No Reliance on Seller. Purchaser is entering into this Agreement on the basis of Purchaser's own independent evaluation and investigation, and Purchaser does not rely on any statement or representation by Seller or any of Seller's representatives. Notwithstanding anything to the contrary, Seller is not making, and specifically disclaims, any representations, warranties or covenants of any kind or character, express or implied, with respect to the operational, environmental or physical condition of the Property, including, but not limited to, representations, warranties or covenants as to: (a) matters of title, zoning, permitted uses, tax consequences, physical or environmental conditions (including but not limited to Purchaser's phase one environmental assessment), availability of access, ingress or egress, operating projections, valuations, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the operational, environmental or physical condition of the Property; (b) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Property; (c) the Property's compliance or non-compliance with Environmental Laws applicable to the Property or the presence or absence of hazardous or toxic materials, wastes or substances on, at or under the Property or migrating to or from the Property; or (d) the manner, quality, state of repair or lack of repair of the Property.

6.7 Survival. The provisions of this Article VI shall survive Closing.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

7.1 Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Purchaser, which shall be deemed restated by Seller at Closing; Seller

acknowledges and agrees that Purchaser is entitled to rely upon the following representations and warranties:

7.1.1. Organization and Authority. Subject to entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments, (i) Seller has full power and authority to execute and deliver (or ensure the execution and delivery of) this Agreement and all other documents to be executed and delivered by or on behalf of the Seller Parties pursuant to this Agreement (collectively, the "Seller Documents"), and to perform the obligations of the Seller Parties under each of the Seller Documents, (ii) the execution and delivery of each of the Seller Documents on behalf of the Seller Parties, and the performance by each of the Seller Parties of its obligations under each of the Seller Documents, has been (or as of Closing will be) duly and validly authorized by all necessary action, and (iii) each of the Seller Documents, when executed and delivered, will constitute the legal, valid and binding obligations of the Seller Parties enforceable against the Seller Parties in accordance with their terms, except to the extent Purchaser is in default thereunder.

7.1.2. No Conflicting Agreements. The execution and delivery by Seller of, and the performance of and compliance by Seller with, the terms and provisions of this Agreement, do not (a) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, Seller's by-laws, or any other agreement or instrument to which Seller is a Party or by which all or any part of the Property is bound, (b) violate any restriction, requirement, covenant or condition to which all or any part of the Property is bound, (c) constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance or rule applicable to Seller or the Property, (d) constitute a violation of any judgment, decree or order applicable to Seller or specifically applicable to the Property, or (e) following entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments, require the consent, waiver or approval of any third party.

7.1.3. Title. To the best of Seller's knowledge, there are no unrecorded or undisclosed documents or other matters which affect title to the Property. Subject to entry of the Stalking Horse Order, the Sale Order, the Executory Contracts Order, and the Section 363(h) Proceeding Judgments, Seller has the full power and authority to transfer good, valid and insurable title to the Property, free and clear of any Liens, claims, encumbrances, and interests, but subject to Permitted Exceptions.

7.1.4. FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445(f) of the Code.

7.1.5. Condemnation Proceedings/Property Damage. There are no presently pending or, to the best of Seller's knowledge, contemplated proceedings to condemn the Property or any part of it.

7.1.6. Option to Purchase. Seller has not granted (and, to the best of Seller's knowledge, no other Association Member has granted) any option or other right to purchase or otherwise acquire any portion of the Property, or any interest therein, to any

party except Purchaser pursuant to this Agreement and there are no existing and outstanding agreements affecting or relating to the Property, including, but not limited to, agreements for the sale of the Property (or any portion thereof), option agreements, leases, licenses, or powers of attorney, to which the Seller is a party or by which the Seller or the Property is bound.

7.1.7. Environmental Matters.

(a) Seller has delivered to Purchaser copies of all material, non-privileged reports, assessments, audits, studies, analyses, and tests initiated by or on behalf of or in the possession of Seller pertaining to the environmental condition of, or any Hazardous Substance in, on, or under, the Property or concerning compliance by Seller with Environmental Laws.

(b) This Section 7.1.7 contains the sole and exclusive representations and warranties of Seller with respect to matters arising under Environmental Laws or any other environmental matters.

7.1.8. Anti-Terrorism. None of Seller's property or interests is subject to being "blocked" under any Anti-Terrorism Laws and neither Seller nor any Person holding any direct or indirect interest in Seller is in violation of any Anti-Terrorism Laws. Neither Seller nor any of their Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become: (a) a person or entity, or owned or controlled by a person or entity, with whom U.S. persons or entities are restricted from doing business, or with whom U.S. persons or entities may transact business only subject to the imposition of significant fines and penalties, under regulations of the Office of Foreign Asset Control ("OFAC") of the U.S. Department of Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action; (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the USA Patriot Act of 2001, Pub. L. No. 107-56, Executive Order 13224 (September 23, 2001), or any executive orders of the President issued pursuant to such statutes; or (c) controlled by the government of any country or person that is subject to an embargo by the U.S. government, including without limitation OFAC, that prohibits Purchaser from conducting the business activities contemplated by this Agreement with Seller. Seller (a) is in compliance with, (b) is not under investigation by any governmental authority; (c) has not been charged with, convicted of, or assessed civil or criminal penalties; and (d) has not had any of its funds seized or forfeited in any action, for violation of any applicable anti-money laundering laws, including without limitation, the USA Patriot Act, the Bank Secrecy Act, 31 U.S.C. §5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. §1 et seq., Executive Order 13224 (September 23, 2001), the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., and the sanction regulations promulgated pursuant thereto by OFAC, and laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956-57.

7.1.9. Furniture, Fixtures and Appliances. All furniture, fixtures, and appliances located at the Property are fully paid for, and there are no Liens, claims, or unpaid bills against any of them arising from their purchase, installation, or servicing.

7.1.10. Litigation. Seller has not received written notice of and to the best of Seller's knowledge there are no actions, investigations, suits, or proceedings pending or threatened that affect the Property, the ownership or operation thereof, or the ability of Seller to perform its obligations under this Agreement, and (b) there are no judgments, orders, awards, or decrees currently in effect against Seller with respect to the ownership or operation of the Property that have not been fully discharged prior to the Effective Date, other than orders entered by the Bankruptcy Court.

7.1.11. Property Materials. To the best of Seller's knowledge, there are no defects, deficiencies, or inaccuracies in any of the materials posted in the document room that Seller made available to Purchaser, and all such materials are true, accurate, and complete copies.

7.1.12. Underground Mines. To the best of Seller's knowledge, no portion of the Property is located above all or any portion of an underground mine.

7.1.13. Wetlands. To the best of Seller's knowledge, the Property does not contain any wetlands that are subject to any laws, ordinances, codes, rules and regulations, or permit requirements of any Governmental Authority.

7.1.14. Survival. All of the representations, warranties, and covenants made by Seller in this Section 7.1 survive Closing.

7.2 Purchaser Representations and Warranties. Purchaser hereby makes the following representations and warranties to Seller, upon which Purchaser acknowledges and agrees that Seller is entitled to rely.

7.2.1. Organization and Authorization. Following the Ordinance Adoption, Purchaser has full power and authority to enter into this Agreement. Following the Ordinance Adoption and subject to Section 7.2.5, Purchaser has full power and authority to perform this Agreement and to consummate the transactions contemplated hereby. To the extent applicable, the execution, delivery and performance of this Agreement and all documents contemplated hereby have been duly and validly authorized by all necessary action on the part of Purchaser and all required consents and approvals have been duly obtained and will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, agreement or instrument to which Purchaser is a Party or otherwise bound.

7.2.2. Authority and Binding Obligation (i) Following the Ordinance Adoption, Purchaser has full power and authority to execute and deliver this Agreement, (ii) following the Ordinance Adoption and subject to Section 7.2.5, Purchaser has full power and authority to execute and deliver all other documents to be executed and delivered by Purchaser pursuant to this Agreement (the "Purchaser Documents"), and to perform all obligations of Purchaser arising under each of the Purchaser Documents, (iii) the

execution and delivery by the signer on behalf of Purchaser of each of the Purchaser Documents, and the performance by Purchaser of its obligations under each of the Purchaser Documents, has been duly and validly authorized by all necessary action by Purchaser, and (iii) each of the Purchaser Documents, when executed and delivered, will constitute the legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with its terms, except to the extent Seller is in default thereunder.

7.2.3. No Conflicting Agreements. The execution, delivery and performance of this Agreement and all documents contemplated hereby by Purchaser have been duly and validly authorized by all necessary action on the part of Purchaser and all required consents and approvals have been duly obtained and will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, agreement or instrument to which Purchaser is a Party or otherwise bound.

7.2.4. Related Debtor Bids. Purchaser intends to submit the Related Debtor Bids to purchase certain property of the Related Debtors, but this Agreement is not contingent upon the selection of the Related Debtor Bids as the Successful Bidders for the property of the Related Debtors.

7.2.5. Sufficient Funds. Purchaser represents that, upon the issuance of the COPs, it will have sufficient funds and/or assets to pay the full amount of the Purchase Price and consummate the Closing.

7.2.6. No Violation of Anti-Terrorism Laws. None of Purchaser's property or interests is subject to being "blocked" under any Anti-Terrorism Laws, and neither Purchaser nor any Person holding any direct or indirect interest in Purchaser is in violation of any Anti-Terrorism Laws. Neither Purchaser nor any of its Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents (collectively, a "Purchaser Party") is, nor will they become: (a) a person or entity, or owned or controlled by a person or entity, with whom U.S. persons or entities are restricted from doing business, or with whom U.S. persons or entities may transact business only subject to the imposition of significant fines and penalties, under regulations of the OFAC of the U.S. Department of Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action; (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the USA Patriot Act of 2001, Pub. L. No. 107-56, Executive Order 13224 (September 23, 2001), or any executive orders of the President issued pursuant to such statutes; or (c) controlled by the government of any country or person that is subject to an embargo by the U.S. government, including without limitation OFAC, that prohibits Seller from conducting the business activities contemplated by this Agreement with Purchaser.

7.2.7. Patriot Act. Purchaser, including its Purchaser Parties, (a) is in compliance with, (b) is not under investigation by any governmental authority; (c) has not been charged with, convicted of, or assessed civil or criminal penalties; and (d) has not had any of its funds seized or forfeited in any action, for violation of any applicable anti-money

laundering laws, including without limitation, the USA Patriot Act, the Bank Secrecy Act, 31 U.S.C. § 5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. § 1 et seq., Executive Order 13224 (September 23, 2001), the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., and the sanction regulations promulgated pursuant thereto by OFAC, and laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956-57.

7.2.8. Compliance. Purchaser represents and warrants that Purchaser is not a "covered foreign person" within the meaning of 31 CFR Part 802.

7.2.9. Survival. All of the representations, warranties, and covenants made by Purchaser in this Section 7.2 survive Closing.

ARTICLE VIII
COVENANTS

8.1 Conduct of the Business.

8.1.1. Operation in Ordinary Course of Business. From the Effective Date until the Closing or earlier termination of this Agreement, Seller will (i) operate the Property in the ordinary course, including maintaining current insurance coverages; (ii) pay when due assessments and other sums payable to the Master Association, taxes, and costs of operating the Property, including, without limitation charges for utilities; (iii) maintain the Property in substantially the same condition as it is in as of the Effective Date of this Agreement, including, without limitation, performance of the tasks set forth on **Exhibit E**; and (iv) comply with all Applicable Laws, including without limitation, Applicable Laws concerning public safety and health. The provisions of this subsection shall be incorporated into the Sale Order and the Plan.

8.1.2. Contracts. From the Effective Date until the Closing or earlier termination of this Agreement, Seller shall not, without Purchaser's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) or Bankruptcy Court Order, (i) amend, extend, renew or terminate any Leases, Executory Contracts or licenses and permits regarding the Property, except in the ordinary course of business and with prior written notice to Purchaser, or (ii) enter into any new Leases or Executory Contracts regarding the Property.

8.1.3. Prohibited Activities. Prior to Closing, Seller not: (i) take or acquiesce in any action to affect title to the Property other than to cure Unpermitted Exceptions; (ii) execute or enter into any mortgages, deeds of trust, or otherwise encumber the Property in any manner or take any action that would affect the marketability of title to the Property, except where such mortgages, deeds of trust, or encumbrances shall be released at Closing; (iii) alter or contract for the alteration of any existing improvements or construct or install or contract for the construction or installation of any new improvements; without, in each instance, obtaining the prior written consent of Purchaser, (iv) engage in or permit any grading, excavation or other earth-moving activities, without, in each instance,

obtaining the prior written consent of Purchaser; (v) take or acquiesce in any act which would cause Seller to breach any representation or warranty made in this Agreement, (vi) take or acquiesce in any act which would prevent Seller from consummating the transaction contemplated herein at Closing, (vii) form or annex all or any portion of the Property into, or de-annex or exclude all or any portion of the Property from, any special district; and (viii) subject all or any portion of the Property to any new covenants, conditions and restrictions or include all or any portion of the Property in a new common interest community or otherwise subject all or any portion of the Property to any new owner's association or similar organization.

8.2 Tax Contests.

8.2.1. Taxable Period Terminating Prior to Closing Date. Seller shall retain the right to commence, continue and settle any proceeding to contest any Taxes for any taxable period which terminates prior to the Closing, and shall be entitled to any refunds or abatements of Taxes awarded in such proceedings. Seller represents that it has not initiated any tax contest for a taxable period which includes the Closing Date and any periods thereafter.

8.3 Further Assurances. From the Effective Date until the Closing or earlier termination of this Agreement, Seller and Purchaser shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate the transaction described in this Agreement, including, without limitation, (i) obtaining all necessary consents, approvals and authorizations required to be obtained from any Governmental Authority or other Person under this Agreement or Applicable Law, including the Ordinance Adoption and (ii) effecting all registrations and filings required under this Agreement or Applicable Law. After the Closing, Seller and Purchaser shall use commercially reasonable efforts (at no cost or expense to such Party, other than any de minimis cost or expense or any cost or expense which the requesting Party agrees in writing to reimburse) to further effect the transaction contemplated in this Agreement.

8.4 Back-Up Bidder. In the event Purchaser is not selected as the Successful Bidder for the Property following the Auction, Purchaser may be designated as the Back-Up Bidder for the Property in accordance with the Sale Procedures; provided, however, that Purchaser's designation as a Back-Up Bidder shall terminate upon a termination of this Agreement.

8.5 Bankruptcy Court Filings.

8.5.1. Seller shall provide Purchaser with drafts of the Stalking Horse Motion, the Stalking Horse Order, the Sale Motion, the Sale Order, the Assumption/Rejection Motion, the Executory Contract Order, the complaint(s) commencing the Section 363(h) Proceedings and all other pleadings and proposed orders to be filed or submitted in connection with this Agreement and the transactions contemplated hereby at least two (2) Business Days in advance of the proposed filing so as to permit Purchaser sufficient time to review and comment on such drafts, and such pleadings and proposed orders shall be in form and substance reasonably acceptable to Purchaser. Seller shall give Purchaser reasonable advance notice of any hearings regarding the motions or other pleadings

required to obtain entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments.

8.5.2. Seller shall file the Stalking Horse Motion within three (3) Business Days after the later of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder.

8.5.3. Seller shall commence the Section 363(h) Proceedings within five (5) Business Days after the later of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder and shall promptly thereafter complete service on all defendants to the Section 363(h) Proceedings.

8.5.4. In the event that Purchaser is selected as the Successful Bidder or the Back-Up Bidder after the conclusion of the Auction, Seller shall file the Sale Motion and the Assumption/Rejection Motion within three (3) Business Days after the conclusion of the Auction. In the event that no Qualified Bids (as defined in the Sale Procedures Order) are received by Seller prior to the Bid Deadline (as defined in the Sale Procedures Order) and the Auction is not conducted, Seller shall file the Sale Motion and the Assumption/Rejection Motion within three (3) Business Days after the Bid Deadline.

8.5.5. In the event that, following entry, any of the Sale Procedures Order, the Stalking Horse Order, the Sale Order, or the Section 363(h) Proceeding Judgments is appealed or a stay pending appeal is sought, Seller shall take all actions as may be commercially reasonable or appropriate to defend against or oppose such appeal or the stay pending appeal and seek the dismissal of any appeal (including a petition for certiorari, motion for rehearing, reargument, reconsideration or revocation). Notwithstanding the foregoing, any resulting changes to this Agreement shall be subject to Purchaser's approval.

8.6 Seller's Post-Closing Actions. Seller shall not propose, file, support, pursue, seek entry of, or aid in another party proposing, filing, supporting, pursuing or seeking entry of, an order confirming a chapter 11 plan that materially and adversely impacts Purchaser's rights hereunder without Purchaser's prior written consent. For the avoidance of doubt, notwithstanding any other provision of this Agreement, this Section 8.6 shall survive the Closing.

ARTICLE IX
CLOSING CONDITIONS

9.1 Mutual Closing Condition; Termination by Mutual Consent.

9.1.1. Satisfaction of Mutual Closing Condition. The respective obligations of Seller and Purchaser to close the transaction contemplated in this Agreement are subject to the satisfaction of the following conditions precedent (the "Mutual Closing Condition"): (1) the Bankruptcy Court shall have entered the Sale Order by September 1, 2026; (2) the Bankruptcy Court shall have entered the Section 363(h) Proceeding Judgments by March 31, 2027; (3) the Bankruptcy Court shall have entered the Stalking Horse Order prior to the Bid Deadline (as defined in the Sale Procedures); (4) the Bankruptcy Court shall have entered the Executory Contract Order by September 1, 2026;

(5) the Plan and the Confirmation Order (if entered) shall be consistent in all material respects with this Agreement, and (6) there shall be no applicable stay ordered by the Bankruptcy Court which is in effect with respect to the closing of the transaction contemplated in this Agreement. Seller and Purchaser shall act in good faith regarding the satisfaction of these mutual closing conditions, and neither shall do or omit to do anything that would frustrate, impede, or otherwise interfere with the satisfaction of these mutual closing conditions. For the avoidance of doubt, each of the orders and judgments referenced in this Section 9.1.1. shall mean a Final Order of the Bankruptcy Court.

9.1.2. Failure of Mutual Closing Condition. If the Mutual Closing Condition is not satisfied by (a) with respect to Section 9.1.1(1), (2), (3), and (4), the applicable date specified (or such later date agreed to in writing by the Purchaser), and (b) with respect to Section 9.1.1(5) and (6), the Closing Date, then each Party shall have the right to terminate this Agreement by providing written notice to the other Party, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except for those which expressly survive such termination.

9.1.3. Mutual Termination. This Agreement may be terminated at any time prior to the Closing Date by the mutual written consent of Seller and Purchaser, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except for those which expressly survive such termination.

9.2 Purchaser Closing Conditions.

9.2.1. Satisfaction of Purchaser Closing Conditions. In addition to the Mutual Closing Condition, Purchaser's obligations to close the transactions described in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "Purchaser Closing Conditions"):

(a) Seller's Deliveries. All of the Seller Closing Deliveries (as hereinafter defined) shall have been delivered to Purchaser or deposited with Title Company to be held by Title Company in escrow and to be delivered to Purchaser upon the consummation of the Closing.

(b) Representations and Warranties. The representations or warranties of Seller in this Agreement shall be true and correct in all material respects as of the Closing (or as of such other date to which such representation or warranty expressly is made).

(c) Covenants and Obligations. The material covenants and material obligations of Seller in this Agreement shall have been performed in all material respects.

(d) No Change in Physical Condition. The physical condition of the Property shall be substantially the same on the Closing Date as on the Effective Date (except for any damage due to any act of Purchaser or Purchaser's representatives).

(e) Rating for COPs. Purchaser has obtained a credit rating for the issuance of the COPs by no later than January 31, 2027, which credit rating shall not be less than BBB.

(f) Title Insurance. The Title Company shall be unconditionally prepared and committed to issue to Purchaser (with an effective date of the Closing Date), an Owner's Policy of Title Insurance in conformance with the Commitment, in favor of Purchaser for the portions of the Property that constitute real property (a) showing fee title to such real property vested in Purchaser, (b) with liability coverage in an amount equal to the Purchase Price, (c) with those endorsements reasonably requested by Purchaser (provided that such endorsements are available in the State of Colorado and are paid for by Purchaser), and (d) containing no exceptions other than the Permitted Exceptions (the "Title Policy").

(g) Closing. The Closing shall have occurred no later than the deadline specified in Section 10.1 hereof and Seller shall have delivered possession of the Property to Purchaser upon completion of the Closing.

9.2.2. Failure of Purchaser Closing Condition. If any of the Purchaser Closing Conditions, other than the condition set forth in Section 9.2.1(e), are not satisfied on the Closing Date (as the same may be extended, adjourned, or postponed by Seller or Purchaser to the extent they have the express right to do so under this Agreement), or if the condition set forth in Section 9.2.1(e) is not satisfied by January 31, 2027, or if the Closing Condition Date shall not have occurred by March 31, 2027, then Purchaser shall have the right (i) to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (ii) to waive any of the Purchaser Closing Conditions at or prior to Closing, without offset or deduction from the Purchase Price; provided, however, that any such waiver shall be made in writing by Purchaser. Nothing contained herein shall be deemed or construed to limit Purchaser's rights under Section 12.1 hereof.

9.3 Seller Closing Conditions.

9.3.1. Satisfaction of Seller Closing Conditions. In addition to the Mutual Closing Condition, Seller's obligations to close the transactions contemplated in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "Seller Closing Conditions"):

(a) Receipt of the Purchase Price. Purchaser shall have (A) deposited with Escrow Agent with written direction to disburse the same in accordance with the provisions of the Sale Order and/or other applicable Order, the Purchase Price (as adjusted pursuant to Section 3.1 hereof), and (B) delivered written direction to Escrow Agent to disburse the Earnest Money in accordance with the provisions of the Earnest Money Escrow Agreement and/or other applicable Order.

(b) Purchaser's Deliveries. All of the Purchaser Closing Deliveries (as hereinafter defined) shall have been delivered to Seller or deposited with Title Company to be held by Title Company in escrow and to be delivered to Seller at Closing.

(c) Representations and Warranties. The representations and warranties of Purchaser in this Agreement shall be true and correct in all material respects as of the Closing (or as of such other date to which such representation or warranty expressly is made).

(d) Covenants and Obligations. The covenants and obligations of Purchaser in this Agreement shall have been performed in all material respects.

9.3.2. Failure of Seller Closing Condition. If any of the Seller Closing Conditions is not satisfied on the Closing Date, then Seller shall have the right to (i) terminate this Agreement by providing written notice to Purchaser, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3.2.2 hereof, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (ii) waive any of the Seller Closing Conditions at or prior to Closing; provided, however, that any such waiver shall be made in writing executed by Seller. Nothing contained herein shall be deemed or construed to limit Seller's rights under Section 12.2 and/or 12.4 hereof.

9.4 Bankruptcy Conditions. Notwithstanding anything to the contrary in this Agreement, upon the occurrence of any of the following, Purchaser shall have the right to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money Deposit shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination (provided that nothing contained herein shall be deemed or construed to limit Purchaser's rights under Section 12.1 hereof):

(a) The Sale Procedures are modified in a manner that materially affects Purchaser without Purchaser's consent.

(b) The Bankruptcy Court denies entry of the Stalking Horse Order;

(c) Purchaser is not selected as Successful Bidder or Back-Up Bidder after the conclusion of the Auction.

(d) The Bankruptcy Court denies entry of the Sale Order;

(e) If Purchaser is selected as Back-Up Bidder, the Back-Up Termination Date (as defined in the Sale Procedures Order) occurs.

(f) Following entry, any of the Sale Procedures Order, the Stalking Horse Order, the Sale Order, the Executory Contract Order, or the Section 363(h) Proceeding Judgments is altered, amended, modified, or supplemented in a manner that is not reasonably acceptable to Purchaser or is vacated, stayed, revoked, voided or set aside.

(g) The Section 363(h) Proceeding Judgments are not entered by March 31, 2027 (as the same may be extended, adjourned, or postponed with the written consent of Purchaser).

(h) The Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, or a Chapter 11 trustee is appointed in the Bankruptcy Case.

ARTICLE X
CLOSING

10.1 Closing Date. Closing of the transaction described in this Agreement (the "Closing") shall occur no later than sixty (60) days after the latest of: (a) the entry of the Sale Order, (b) the entry of the Executory Contract Order, (c) the entry of the Section 363(h) Proceeding Judgments, (d) if Purchaser is selected as the Back-Up Bidder and subsequently deemed to be the Successful Bidder, the date that Purchaser is notified that it is deemed to be the Successful Bidder, or (e) such other date as agreed to in writing between Seller and Purchaser, time being of the essence; provided, however, that if Purchaser is selected as the equivalent of the Successful Bidder or the Back-Up Bidder in connection with any Related Debtor Sale, then the Closing shall occur not later than sixty (60) days after the latest of: (v) the entry of the Sale Order and the equivalent of the Sale Order in each such Related Debtor Sale, (w) the entry of the Executory Contract Order and the equivalent of the Executory Contract Order in each such Related Debtor Sale, (x) the entry of the Section 363(h) Proceeding Judgments and the equivalent of the Section 363(h) Proceeding Judgments in each such Related Debtor Sale, (y) if Purchaser is selected as the equivalent of the Back-Up Bidder in one or more Related Debtor Sales and subsequently deemed to be the equivalent of the Successful Bidder in such Related Debtor Sale(s), the date that Purchaser is notified that is deemed to be the equivalent of the Successful Bidder in such Related Debtor Sale(s), or (z) such other date as agreed to in writing between Seller and Purchaser. The latest to occur of (a) – (e) above or, if Purchaser is selected as the equivalent of the Successful Bidder or the Back-Up Bidder in connection with any Related Debtor Sale, the latest to occur of (v) – (z) above is referred to herein as the "Closing Condition Date." The date on which the Closing occurs is referred to herein as the "Closing Date."

10.2 Closing Deliveries.

10.2.1. Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Purchaser or deposited with Title Company in the Title Company's escrow account for Closing to be delivered to Purchaser at Closing, all of the (i) documents set forth in this Section 10.2.1, each of which shall have been duly executed by Seller and acknowledged (if required) and (ii) other items set forth in this Section 10.2.1 (the "Seller Closing Deliveries"), as follows:

(a) Deeds, bills of sale, and assignments conveying the Property to Purchaser, subject to the Permitted Exceptions, to the extent applicable, respectively, to the Property, each in a form reasonably acceptable to Purchaser and the Title Company (collectively, the "Deeds");

(b) Such documents and instruments in recordable form, executed and properly acknowledged by Seller, as the Title Company may require, to terminate the condominium regime and timeshare regime applicable to the Property (the "Condominium Termination").

(c) Such other documents and instruments, executed and properly acknowledged by Seller, if applicable, as the Title Company may require from Seller in order to

issue the Title Policy, including but not limited to affidavits of title and corporate resolutions, each in a form reasonably acceptable to the Title Company;

(d) A FIRPTA affidavit in the form set forth in the regulations under Section 1445 of the Code;

(e) A Colorado Form DR-1083 and such other Colorado-specific forms as the Title Company may require.

(f) A resolution of Seller, signed by Seller's authorized representative, authorizing the execution of this Agreement and the consummation of the transactions contemplated hereby;

(g) Certified copies of the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments;

(h) The Closing Statement; and

(i) Such other documents and instruments as may be reasonably requested by Purchaser in order to consummate the transaction described in this Agreement.

10.2.2. Purchaser's Deliveries. At or prior to the Closing, Purchaser shall direct Escrow Agent to deliver the Earnest Money to Title Company to be deposited in the Title Company's escrow account for Closing. At the Closing, Purchaser shall deliver or cause to be delivered to Seller or deposited with Title Company in the Title Company's escrow account for Closing to be delivered to Seller all of the (i) documents set forth in this Section 10.2.2, each of which shall have been duly executed by Purchaser and acknowledged (if required), and (ii) other items set forth in this Section 10.2.2 (the "Purchaser Closing Deliveries"), as follows:

(a) The Purchase Price (as adjusted pursuant to this Agreement) to be paid by Purchaser;

(b) A letter of direction to Title Company authorizing and directing Title Company to disburse the Earnest Money to Seller or to such party or parties as Seller shall designate;

(c) A counterpart of each of the documents and instruments to be delivered by Seller under Section 10.2 hereof which require execution by Purchaser;

(d) Such other documents and instruments as may be reasonably requested by Seller or the Title Company in order to consummate the transaction described in this Agreement;

(e) The Cure Amounts required under the Executory Contract Order; and

(f) A Colorado Form TD-1000 and such other Colorado-specific forms as the Title Company may require

10.3 Possession. Seller shall deliver possession of the Property to Purchaser upon completion of the Closing, subject to the rights of counterparties under the Purchased Contracts.

ARTICLE XI
PRORATIONS AND EXPENSES

11.1 Items to Be Prorated. The following shall be prorated between Seller and Purchaser as of the Closing Date with Purchaser being deemed the owner of the Property as of the Closing Date and with Purchaser receiving credit for or charged with the entire day of the Closing: Taxes, but only if the Property will not be exempt from Taxes after Closing,, water, sewer, Master Association fees, if applicable, (the "Prorations"). Except as hereinafter expressly provided, all prorations shall be done on the basis of the actual number of days in the year in which Closing occurs for the actual number of days elapsed to the Closing Date or the actual number of days in the month in which the Closing occurs and the actual number of days elapsed in such month to the Closing Date, as applicable. Any assessment for improvements completed prior to closing shall be Seller's responsibility. Notwithstanding anything else set forth herein, in the event any unpaid utilities could become Liens, then Seller shall obtain a final reading within three days prior to the Closing, failing which Seller shall escrow a reasonable amount with the title company.

11.2 Taxes. Upon Closing, Seller shall pay the treasurer of Archuleta County property taxes levied on the Property for the current taxable year. The amount of such property taxes shall be as determined by the treasurer of Archuleta County Because Purchaser is a Governmental Authority, it is expected that the Property will become exempt from the levy and collection of property tax at the Closing, pursuant to C.R.S. Section 39-3-131.

11.3 Closing Costs. Closing costs will be allocated between Seller and Purchaser and paid at Closing as follows:

COST	RESPONSIBLE PARTY
Costs of Seller's delivery of the Property information	Seller
Costs of Purchaser's investigation of the Land and Property and feasibility of acquiring the Property	Purchaser
Title Commitment or updates and other Title Company due diligence, title search fees, administrative fees and charges	Purchaser
Premium for ALTA Title Policy	Purchaser
ALTA Title Policy endorsement premiums for any additional endorsements desired by Purchaser	Purchaser
Lis Pendens filing	Purchaser
Any tax, municipal and utility lien searches and certificates	Purchaser

Deed recording fees	Purchaser
Costs of the Survey	Purchaser
Documentary stamp tax on the Deed, if applicable	Seller (to the extent not prohibited by Section 1146(a) of the Bankruptcy Code)
Closing Fee charged by Title Company for conducting the Closing	½ Seller and ½ Purchaser
Brokerage Commissions (subject to Bankruptcy Court approval)	Seller
All other closing costs, expenses, charges and fees, including attorneys' fees	The party incurring same

ARTICLE XII
DEFAULT AND REMEDIES

12.1 Seller Default. If, at the time of Closing, Seller fails to perform its material covenants or material obligations under this Agreement (a "Seller Default") and no Purchaser Default (as defined in Section 12.2) has occurred that has prevented the satisfaction of the conditions to the obligations of Purchaser to close the transactions set forth in Section 9 hereof, then Purchaser, as its sole and exclusive remedy, may elect upon written notice to Seller to provide notice of such Seller Default, and if Seller fails to remedy the Seller Default within fifteen (15) days thereafter, this Agreement shall terminate (a "Seller's Breach Termination Event") and the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination.

12.2 Purchaser's Default. If Purchaser fails to perform any of its material covenants or material obligations under this Agreement (a "Purchaser Default") and no Seller Default has occurred which remains uncured, then Seller, as its sole and exclusive remedy, may elect to (a) terminate this Agreement by providing written notice to Purchaser, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3 hereof, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (b) proceed to Closing pursuant to this Agreement. Seller waives any right to specific performance and to recover damages, including, without limitation, actual damages and consequential, incidental, or punitive damages other than the Earnest Money as liquidated damages.

12.3 Stalking Horse Protections. The parties agree that if Seller closes an Alternative Transaction, then the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2. and, in addition, Seller shall pay in cash to Purchaser (a) a break-up fee in the amount three percent (3%) of the Purchase Price (the "Break-Up Fee"), and (b) an amount equal to the reasonable and documented out-of-pocket costs, fees and expenses incurred by Purchaser

(including fees and expenses of Purchaser's legal, accounting and financial advisors) in connection with the development, negotiation, execution, delivery and approval by the Bankruptcy Court of this Agreement and the transaction contemplated hereby, in an amount not to exceed $30,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Stalking Horse Protections"). Seller shall pay the Break-Up Fee by wire transfer to an account specified by Purchaser within ten (10) Business Days of the closing of an Alternative Transaction. Seller shall pay the Expense Reimbursement by wire transfer to an account specified by Purchaser within ten (10) Business Days after Seller's receipt of documentation reflecting the Expense Reimbursement amount in reasonable detail; provided, however, that if Seller disputes the amount of the Expense Reimbursement within such ten-day period, the Parties will submit the matter to the Bankruptcy Court for resolution and will pay the Expense Reimbursement no later than five (5) Business Days following such resolution. The Stalking Horse Protections are an integral part of this Agreement, without which Purchaser would not have entered into this Agreement. The Stalking Horse Protections shall be in addition to any bid protections granted to Purchaser in connection with any Related Debtor Sale.

12.4 LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE AND AGREE THAT IF THIS AGREEMENT IS TERMINATED PURSUANT TO SECTION 12.2 HEREOF, THE DAMAGES THAT SELLER WOULD SUSTAIN AS A RESULT OF SUCH TERMINATION WOULD BE DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. ACCORDINGLY, THE PARTIES AGREE THAT SELLER SHALL RETAIN THE EARNEST MONEY, FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTEREST, AS A FAIR AND REASONABLE SUM AND AS FAIR MEASURE OF DAMAGES, AS LIQUIDATED DAMAGES (AND NOT AS A PENALTY) AS SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH TERMINATION. NOTWITHSTANDING THE FOREGOING, THE REMEDY OF LIQUIDATED DAMAGES SHALL NOT LIMIT, AND SHALL NOT BE DEEMED TO LIMIT, IN ANY WAY THE RIGHTS AND REMEDIES AVAILABLE TO SELLER WHICH SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE XIII
RISK OF LOSS

13.1 Casualty. If, at any time after the Effective Date and prior to Closing or earlier termination of this Agreement, the Property or any portion thereof is damaged or destroyed by fire or any other casualty (a "Casualty"), Seller shall give written notice of such Casualty to Purchaser promptly after the occurrence of such Casualty.

13.1.1. Material Casualty. If the amount of the repair restoration of the Property required by a Casualty equals or exceeds twenty-five percent (25%) of the Purchase Price, as estimated by Seller's architect (a "Material Casualty") then Purchaser shall have the right to elect, by providing written notice to Seller within ten (10) days after Purchaser's receipt of the estimate from Seller's architect, to (a) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except those which expressly survive such termination, or (b) proceed to Closing, without terminating this Agreement, in which case Seller shall (i) provide Purchaser with a credit against the Purchase Price in an amount equal to the lesser of: (A) the applicable insurance

deductible, and (B) and the reasonable estimated costs for the repair or restoration of the Property required by such Material Casualty, and (ii) transfer and assign to Purchaser all of Seller's right, title and interest in and to all proceeds from all casualty and lost profits insurance policies maintained by Seller with respect to the Property or its business. If the Closing is scheduled to occur within Purchaser's ten (10) day election period, the Closing Date shall be postponed until the date which is five (5) Business Days after the expiration of such ten (10) day election period.

13.1.2. Non-Material Casualty. In the event of any Casualty which is not a Material Casualty, then Purchaser shall not have the right to terminate this Agreement, but shall proceed to Closing, in which case Seller shall (A) provide Purchaser with a credit against the Purchase Price in an amount equal to the lesser of: (1) the applicable insurance deductible under Seller's applicable insurance policy, and (2) the reasonable estimated costs for the repair or restoration required by such Casualty, and (B) transfer and assign to Purchaser all of Seller's right, title and interest in and to all proceeds from all casualty insurance policies maintained by Seller with respect to the Property.

13.2 Condemnation. If, at any time after the Effective Date and prior to Closing or the earlier termination of this Agreement, any Governmental Authority commences any condemnation proceeding or other proceeding in eminent domain with respect to all or any portion of the Property (a "Condemnation"), Seller shall give written notice of such Condemnation to Purchaser promptly after Seller receives notice of such Condemnation.

13.2.1. Material Condemnation. If the Condemnation would (i) result in the permanent loss of more than twenty-five percent (25%) of the fair market value of the Land or Improvements of the Property, (ii) result in any permanent material reduction or restriction in access to the Land or Improvements of the Property, or (iii) have a permanent materially adverse effect on the business of the Property Association as conducted prior to such Condemnation (a "Material Condemnation"), then Purchaser shall have the right to elect, by providing written notice to Seller within ten (10) days after Purchaser's receipt of Seller's written notice of such Material Condemnation, to (A) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except those which expressly survive such termination, or (B) proceed to Closing, without terminating this Agreement, in which case Seller shall assign to Purchaser all of Seller's right, title and interest in all proceeds and awards from such Material Condemnation. If the Closing is scheduled to occur within Purchaser's ten (10) day election period, the Closing shall be postponed until the date which is five (5) Business Days after the expiration of such ten (10) day election period.

13.2.2. Non-Material Condemnation. In the event of any Condemnation other than a Material Condemnation, Purchaser shall not have the right to terminate this Agreement, but shall proceed to Closing, in which case Seller shall assign to Purchaser all of Seller's right, title and interest in all proceeds and awards from such Condemnation.

ARTICLE XIV
SURVIVAL

14.1 Survival. Except only as expressly set forth in this Section 14.1, all representations, warranties, covenants, liabilities and obligations shall be deemed (i) if the Closing occurs, to merge in the Deeds and not survive the Closing, or (ii) if this Agreement is terminated, not to survive such termination.

14.1.1. Survival of Representations and Warranties. The payment of the Purchase Price by Purchaser and the delivery of the Seller Closing Deliveries by Seller to Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement.

14.1.2. Survival of Covenants and Obligations. If this Agreement is terminated, only those covenants and obligations to be performed by the Parties under this Agreement which expressly survive the termination of this Agreement shall survive such termination. If the Closing occurs, only those covenants and obligations to be performed by the Parties under this Agreement which expressly survive the Closing shall survive the Closing.

14.1.3. Survival of Indemnification. All rights and obligations of defense and indemnification as expressly set forth in this Agreement shall survive the Closing or termination of this Agreement.Notwithstanding anything to the contrary contained herein, Articles II, VI, XII and XIV and Sections 3.2.2, 7.1.7, 7.2, and 11.2 hereof and any other Section that expressly states it shall survive Closing or the termination of this Agreement.

ARTICLE XV
MISCELLANEOUS PROVISIONS

15.1 Notices.

15.1.1. Method of Delivery. All notices, requests, demands and other communications required to be provided by any Party under this Agreement (each, a "Notice") shall be in writing and delivered, at the sending Party's cost and expense, by (i) personal delivery, (ii) certified U.S. mail, with postage prepaid and return receipt requested, (iii) overnight courier service, or (iv) email, with a verification copy sent on the same day by any of the methods set forth in clauses (i), (ii) or (iii),, to the recipient Party at the following address, facsimile number or e-mail address:

If to Seller:

Village Pointe Property Owners Association, Inc.
Attn.: Shane Prince
shane.prince@travelandleisure.com

With required copy to:

K&L Gates LLP
One Newark Center, 10th Fl.

1085 Raymond Blvd.
Newark, NJ 07102
Daniel Eliades, Esq
Daniel.eliades@klgates.com
Jennifer Mazawey, Esq.
Jennifer.mazawey@klgates.com
William Waldman, Esq.
william.waldman@klgates.com
Jon Edel, Esq.
jon.edel@klgates.com
Brandy Sargent, Esq.
brandy.sargent@klgates.com

If to Purchaser:

Town of Pagosa Springs
551Springs Blvd.
Pagosa Springs, CO 81147
David Harris
dharris@pagosasprings.co.gov
James Dickhoff
jdickhoff@pagosasprings.co.gov
Jeff Sams
jeff@pagosaspringscdc.org

With required copy to:

Collins Cole Winn and Ulmer, PLLC
165 S. Union Blvd Suite 785
Lakewood, CO 80228
Robert Cole, Esq.
rcole@cogovlaw.com

and

Bryan Cave Leighton Paisner LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541
David Unseth, Esq.
David.Unseth@bclplaw.com
Bruce Likoff, Esq.
Bruce.Likoff@bclplaw.com

15.1.2. Receipt of Notices. All Notices sent by a Party (or its counsel pursuant to Section 15.1.4 hereof) under this Agreement shall be deemed to have been received by the Party to whom such Notice is sent upon (i) delivery to the address, email address, or facsimile number of the recipient Party, provided that such delivery is made prior to 5:00

p.m. Mountain Time on a Business Day, otherwise the following Business Day, or (ii) the attempted delivery of such Notice if (A) such recipient Party refuses delivery of such Notice, or (B) such recipient Party is no longer at such address, email address or facsimile number, and such recipient Party failed to provide the sending Party with its current address, email address or facsimile number pursuant to Section 15.1.3 hereof.

15.1.3. Change of Address. The Parties and their respective counsel shall have the right to change their respective address and/or facsimile number for the purposes of this Section 15.1 by providing a Notice of such change in address and/or facsimile number as required under this Section 15.1.

15.1.4. Delivery by Party's Counsel. The Parties agree that the attorney for such Party shall have the authority to deliver Notices on such Party's behalf to the other Party hereto.

15.2 No Recordation. No Party shall record this Agreement, or any memorandum of this Agreement, in any public records.

15.3 Time is of the Essence. Time is of the essence as to all dates and/ or times, as applicable, set forth in this Agreement; provided, however, that notwithstanding anything to the contrary in this Agreement, if the time period for the performance of any covenant or obligation, satisfaction of any condition or delivery of any Notice or item required under this Agreement shall expire on a day other than a Business Day, such time period shall be extended automatically to the next Business Day.

15.4 Assignment. Purchaser shall not assign this Agreement or any interest therein to any Person, without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Notwithstanding the foregoing, Purchaser shall have the right to designate any affiliate(s) (which is intended to be broader than the defined term "Affiliate") as its nominee to receive title to the Property, or assign all of its right, title and interest in this Agreement to any affiliate(s) of Purchaser by providing written notice to Seller no later than five (5) days prior to the Closing, provided that in any such event the originally named Purchaser shall remain liable for all Purchaser obligations hereunder.

15.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns.

15.6 Third Party Beneficiaries. This Agreement shall not confer any rights or remedies on any Person other than (i) the Parties and their respective successors and permitted assigns, and (ii) any indemnitee to the extent such indemnitee is expressly provided any right of defense or indemnification in this Agreement.

15.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF COLORADO, WITHOUT GIVING EFFECT TO ANY PRINCIPLES REGARDING CONFLICT OF LAWS.

15.8 Rules of Construction. The following rules shall apply to the construction and interpretation of this Agreement:

15.8.1. Singular words shall connote the plural as well as the singular, and plural words shall connote the singular as well as the plural, and the masculine shall include the feminine and the neuter, as the context may require.

15.8.2. All references in this Agreement to particular articles, sections, subsections or clauses (whether in upper or lower case) are references to articles, sections, subsections or clauses of this Agreement. All references in this Agreement to particular exhibits or schedules (whether in upper or lower case) are references to the exhibits and schedules attached to this Agreement, unless otherwise expressly stated or clearly apparent from the context of such reference.

15.8.3. The headings in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

15.8.4. Each Party and its counsel have reviewed and revised (or requested revisions of) this Agreement and have participated in the preparation of this Agreement, and therefore any rules of construction requiring that ambiguities are to be resolved against the Party which drafted the Agreement or any exhibits hereto shall not be applicable in the construction and interpretation of this Agreement or any exhibits hereto.

15.8.5. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms shall refer to this Agreement, and not solely to the provision in which such term is used.

15.8.6. The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without limitation."

15.8.7. The term "sole discretion" with respect to any determination to be made a Party under this Agreement shall mean the sole and absolute discretion of such Party, without regard to any standard of reasonableness or other standard by which the determination of such Party might be challenged.

15.9 Severability; Conflict. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time in any jurisdiction, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement, or the validity or enforceability of such affected term or provision at any other time or in any other jurisdiction. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any term, condition, or provision of this Agreement conflicts with or is contrary to Applicable Law, such Applicable Law shall govern and control, and such term, condition, or provision shall be deemed modified to the minimum extent necessary to comply with such Applicable Law. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any term, condition, or provision of this Agreement conflicts with or is contrary to the Sale Procedures, this Agreement govern and control, and the conflicting term, condition, or provision in the Sale Procedures shall be deemed modified by Debtor to the extent necessary to comply with this Agreement.

15.10 JURISDICTION AND VENUE. ANY LITIGATION OR OTHER COURT PROCEEDING WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION

WITH THIS AGREEMENT SHALL BE CONDUCTED IN THE BANKRUPTCY COURT AND SELLER (FOR ITSELF AND ALL SELLER INDEMNITEES) AND PURCHASER (FOR ITSELF AND ALL PURCHASER INDEMNITEES) HEREBY SUBMIT TO JURISDICTION AND CONSENT TO VENUE IN SUCH COURT AND WAIVE ANY DEFENSE BASED ON FORUM NON CONVENIENS.

15.11 WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY WAIVE ITS RIGHT TO A TRIAL BY JURY IN ANY LITIGATION OR OTHER COURT PROCEEDING WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT. THE FOREGOING WAIVER IS MADE BY THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AND IS SUBJECT TO NO EXCEPTIONS.

15.12 Incorporation of Recitals, Exhibits and Schedules. The recitals to this Agreement, and all exhibits and schedules (as amended, modified and supplemented from time to time pursuant to Section 15.14 hereof) referred to in this Agreement are incorporated herein by such reference and made a part of this Agreement. Any matter disclosed in any schedule to this Agreement shall be deemed to be incorporated in all other schedules to this Agreement.

15.13 Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Parties hereto and shall supersede any other agreements and understandings (written or oral) between the Parties on or prior to the Effective Date with respect to the transaction described in this Agreement.

15.14 Amendments, Waivers and Termination of Agreement. No amendment or modification to any terms or provisions of this Agreement, waiver of any covenant, obligation, breach or default under this Agreement or termination of this Agreement (other than as expressly provided in this Agreement), shall be valid unless in writing and executed and delivered by each of the Parties.

15.15 Not an Offer. The delivery by Seller of this Agreement executed by Seller shall not constitute an offer to sell the Property, and Seller shall have no obligation to sell the Property to Purchaser, unless and until all Parties have executed and delivered this Agreement to all other Parties.

15.16 Execution of Agreement. A Party may deliver executed signature pages to this Agreement by facsimile or electronic transmission to any other Party, which facsimile or electronic copy shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

15.17 Substantial Contribution. In consideration of and expressly contingent upon approval of the Stalking Horse Protections pursuant to the Stalking Horse Order, Purchaser hereby waives any right it may have to pursue a substantial contribution claim in the Bankruptcy Case pursuant to 11 U.S.C. §503.

15.18 Real Estate Commission. Seller and Purchaser each represent and warrant to the other that neither Seller nor Purchaser has contacted or entered into any agreement with any real estate broker, agent, finder or any other party in connection with this transaction other than Seller's

broker, Hilco Real Estate LLC ("Broker"), and that neither Party has taken any action which would result in any real estate broker's, finder's or other fees or commissions being due and payable to any Party other than Broker with respect to the transaction contemplated hereby. To the extent permitted by law, Purchaser hereby indemnifies and agrees to hold the Seller harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the Seller by reason of a breach of the representation and warranty made by Purchaser in this Section. Seller hereby indemnifies and agrees to hold the Purchaser harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the Purchaser by reason of a breach of the representation and warranty made by Seller in this Section.

15.19 Radon Disclosure. THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT STRONGLY RECOMMENDS THAT ALL PURCHASERS 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 PURCHASER 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 IN REAL ESTATE TRANSACTIONS IS AVAILABLE AT: HTTPS://CDPHE.COLORADO.GOV/RADON-AND-REAL-ESTATE.

**[Remainder of page intentionally left blank;
Signatures on following pages]**

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and delivered in its name by a duly authorized officer or representative.

SELLER:
VILLAGE POINTE PROPERTY OWNERS ASSOCIATION, INC.

_______________________________ By:_______________________________
Name: Amy Bornmann
Title: Board President

PURCHASER:
TOWN OF PAGOSA SPRINGS

_______________________________ By:_______________________________
Name: David J. Harris
Title: Town Manager

EXHIBIT A

LEGAL DESCRIPTION

Building 001D, Units 7501-7504;
Building 002D, Units 7505-7508;
Building 003D, Units 7509-7512;
Building 004D, Units 7513-7516;
Building 005D, Units 7517-7524; and
Building 006D, Units 7525-7532

Of Village Pointe Condominiums, as more fully described and set forth in Declaration of Condominium and Interval Ownership for Village Pointe Condominiums, recorded January 6, 1989, at Reception No. 160495, Official Records Archuletta County, Colorado, as the same has been amended, supplemented, and/or restated.

EXHIBIT B

LEASES

None

EXHIBIT C

FORM OF EARNEST MONEY ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement") is made and entered into by and between the Seller, Bidder, and Escrow Agent identified below and herein.

NOTICE: This Escrow Agreement is **NOT EFFECTIVE**, and Escrow Agent shall have no duties hereunder, until Escrow Agent receives the Earnest Money, as provided herein, and this Escrow Agreement is executed by all Parties, hereto. The Escrow Agent will be the last Party to execute this Escrow Agreement.

1. Parties. The Parties to this Escrow Agreement are as follows:

"Seller" shall refer to Village Pointe Condominiums Property Owners Association, Inc., a Colorado non-profit corporation. Seller's address is 42 Pinion Causeway, Pagosa Springs, CO 81447.

"Bidder" shall refer to Town of Pagosa Springs, a municipal corporation and political subdivision of the State of Colorado. Bidder's address is 551 Springs Blvd. Pagosa Springs, CO 81147.

"Escrow Agent" shall refer to Bank of the San Juans, ______________________________.

2. Bankruptcy Proceedings. Reference is made to those certain matters captioned *In RE: Village Pointe Condominiums Property Owners Association, Inc.*, debtor, Case No. 26-10314 (TBM), United States Bankruptcy Court, District of Colorado (referred to herein as the "Bankruptcy Proceedings"). The law firm of K&L Gates, LLP represents Seller in the Bankruptcy Proceedings (hereinafter "Seller's Counsel").

3. The Bid. Bidder has submitted an offer to purchase from Seller (the "Bid") that certain real estate more particularly described in Exhibit "A", attached hereto (the "Real Estate"), subject to review and approval of Court identified in the Bankruptcy Proceedings.

4. Appointment of Escrow Agent. Seller and Bidder hereby appoint and designate Bank of the San Juans as escrow agent for the purposes herein set forth. All references to the Escrow Agent, as that term is used herein, shall refer to the Escrow Agent solely in its capacity as such, and not to it in any other capacity whatsoever whether as individual, agent, fiduciary, trustee or otherwise.

5. Bid Deposit. On or before ____:_____ a.m./p.m., the _____ day of_________________, 2026, Bidder shall deposit the sum of $________________as earnest money (the "Earnest Money") with Escrow Agent. Escrow Agent will confirm receipt of deposit with Seller's Counsel. The Earnest Money shall be maintained in an Interest Only Lawyer's Trust Account with a financial institution insured by the Federal Deposit Insurance Corporation. Escrow Agent's wiring instructions are attached hereto as Exhibit "B". Bidder is responsible for all wire transfer fees.

6. Distribution of Escrow Account. Bidder and Seller shall execute written instructions ("Instructions") to the Escrow Agent for the distribution of the Escrow Account as follows:

a. Seller's Counsel shall issue prompt written notice to Escrow Agent and Bidder whether the Bid is approved by the Court identified in the Bankruptcy Proceedings.

b. In the event the Bid is not approved, Escrow Agent shall promptly return the Earnest Money to Bidder via wire transfer. Bidder will be responsible for wire processing fees in the amount of $50.00.

c. In the event the Bid is approved, the Earnest Money shall be retained by Escrow Agent pending the closing of the Real Estate for credit against the purchase price. Unless otherwise indicated herein, the Earnest Money shall remain in the Escrow Account in Escrow Agent's custody pending satisfaction of the conditions described in the purchase agreement and closing instructions of the Seller and Bidder.

d. Following distribution of the Escrow Account, Escrow Agent shall have no further liability or responsibility under this Escrow Agreement.

e. If the Parties refuse to execute instructions distributing the Escrow Account and resolve any dispute they may have in accordance with this Paragraph 6 when requested to do so, Escrow Agent shall be authorized to interplead any funds then remaining in its hands into a court having appropriate jurisdiction in Archuletta County, Colorado, and be absolved of any further responsibility under this Escrow Agreement. The Escrow

Agent shall be reimbursed by the Parties on an equal basis for any and all legal fees, costs, or other expenses it may incur as a result of such action.

7. Rights, Obligations and Indemnification of Escrow Agent.

a. In performing any of its duties under this Escrow Agreement, or upon the claimed failure to perform its duties hereunder, the Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which it may incur as a result of the Escrow Agent so acting, or failing to act; provided, however, that the Escrow Agent shall be liable for damages arising out of its fraud or willful default under this Escrow Agreement. Accordingly, the Escrow Agent shall not incur any such liability with respect to (i) any action taken or omitted to be taken in good faith, whether or not acting upon advice of its counsel given with respect to any questions relating to the duties and responsibilities of the Escrow Agent hereunder, nor (ii) any action taken or omitted to be taken in reliance upon any document, including any written notice or instructions provided for in this Escrow Agreement, not only as to such document's due execution and to the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information contained herein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Escrow Agreement. The Escrow Agent shall have no liability for loss arising from any cause beyond its control, including (but not limited to) the following: (i) the act, failure or neglect of any agent or correspondent selected by Bidder or Seller, or any of them, for the remittance of funds; (ii) any delay, error, omission or default of any mail, telegraph, cable, or wireless agency or operator; or (iii) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers.

b. Seller and Bidder agree to indemnify and hold harmless the Escrow Agent against any and all fees, losses, claims, damages, liabilities, and expenses, including, without limitation, reasonable costs of investigation and counsel fees and disbursements which may be imposed by the Escrow Agent or incurred by it in connection with its acceptance of this appointment as Escrow Agent hereunder, or the performance of its duties hereunder, including, without limitation, any litigation arising from this Escrow Agreement or involving the subject matter hereof or thereof; except, that if the Escrow Agent shall be found guilty of fraud or willful default under this Escrow Agreement then, in that event, the Escrow Agent shall bear all such losses, claims, damages, and expenses.

c. The Escrow Agent shall be bound only by the terms of this Escrow Agreement and shall not be bound by, or be deemed to have knowledge of any of the terms of, or incur any liability with respect to any purchase agreement for the Real Estate or any other agreement or understanding to which the Escrow Agent is not a party. The Escrow Agent shall not have any duties hereunder except those specifically set forth herein.

d. If any part of the funds deposited hereunder is at any time attached, garnished or levied upon under any court order, or if the payment or transfer of any such funds shall be stayed or enjoined by any court order, or any order, judgment or decree shall be made or entered by any court affecting such funds or any portion thereof, then in any of such events the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree which it is advised by legal counsel is binding upon it. Bidder and Seller jointly and severally agree to indemnify the Escrow Agent and hold it harmless against any loss, liability or expense of any kind which may result, in whole or in part, from any delay in acting with respect to any such order, writ, judgment, or decree. If the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to Bidder, Seller, or any other person, firm or corporation by reason of such compliance, even though such order, writ, judgment or decree may subsequently be reversed, modified, annulled, set aside or vacated.

e. Bidder and Seller further agree that in addition to any further rights the Escrow Agent may have hereunder or otherwise, should any dispute arise with respect to the payment or ownership or right of possession of any of the funds or properties held by the Escrow Agent as contemplated herein, the Escrow Agent is authorized to retain in its possession all or part of such funds until the dispute has been settled either by mutual agreement of all the parties concerned or by a final judicial determination, or the Escrow Agent may in its sole discretion terminate this Escrow Agreement as set forth in Subparagraph 7(i).

f. The Escrow Agent's activities hereunder shall be only those of, or incidental to, a passive ministerial depository and disbursing payor pursuant to the terms hereof. In the event of any disagreements or conflicting instructions resulting in adverse claims or demand being made upon the Escrow Agent in connection herewith, or in the event that the Escrow Agent in good faith is in doubt as to what action should be taken hereunder, it may, at its option, refuse to comply with any claims or demands on it, or resign as Escrow Agent pursuant to the terms of this Escrow Agreement, or refuse to take any other action hereunder, and in any such event, the Escrow Agent shall not be or become liable in any way or to any party for its failure or refusal from acting until all differences shall have been settled and all doubt resolved.

g. The Escrow Agent: (i) except as otherwise expressly provided herein, shall have no obligation to make any payment hereunder unless all the necessary funds and/or documents have been actually received by the Escrow Agent; (ii) shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of the underlying transactions contemplated herein or any purchase agreement concerning the Real Estate; (iii) may rely on and shall be protected in acting upon any certificate, instrument, any notice as provided in Paragraph 9 below, letter, telegram, telecopy, or other document delivered to the Escrow Agent and reasonably believed by the Escrow Agent to be genuine and to have been sent by the proper party or parties; and (iv) may consult its counsel regarding questions which may arise and the advice or opinion of such counsel shall be conclusive evidence of good faith in respect of any action taken, suffered, or omitted by the Escrow Agent hereunder in accordance with the advice or opinion of such counsel. However, the Escrow Agent shall be under no obligation to consult with counsel, and failure to do so shall not be evidence of a lack of good faith on the part of the Escrow Agent.

h. Escrow Agent shall have no responsibility for the investment of any funds held hereunder. It is the intention of the parties that, except as otherwise expressly provided herein, Escrow Agent shall never be required to use or advance its own funds or otherwise incur financial liability in the performance of its duties or the exercise of any of its rights and powers hereunder.

i. Escrow Agent may resign without obtaining the order of any court, by giving at least thirty (30) days prior written notice (unless waived) to Bidder and Seller and upon the taking of all the actions as described in this Subparagraph (i) by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to Bidder or Seller or to any other person or persons in connection with this Escrow Agreement. Such resignation shall be effective upon the appointment by Bidder and Seller of a successor agent; provided, that if any such appointment of any successor agent is not effectuated within thirty (30) days of such written notice, the Escrow Agent may file an action for interpleader and deposit all funds with a court of competent jurisdiction, all as provided for in Subparagraph (k) below. Any successor agent appointed under the provisions of this Escrow Agreement shall have all of the same rights, powers, privileges, immunities and authority with respect to the matters contemplated herein as are granted herein to the original Escrow Agent.

j. It is not the intention of the parties hereto to create, nor shall this Escrow Agreement be construed as creating, a partnership or association, or to render the parties hereto liable as partners.

k. Notwithstanding any provision herein to the contrary, in the event of any disagreement or controversy arising under this Escrow Agreement or if conflicting demands or notices are made upon the Escrow Agent growing out of or relating to this Escrow Agreement or in the event the Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Escrow Agent shall have the right, at its election, to withhold and stop all further proceedings, in and performance of, this Escrow Agreement and all instructions received hereunder and file a suit in interpleader and obtain an order from a court of competent jurisdiction requiring all parties involved to interplead and litigate in such court their claims and rights among themselves and with the Escrow Agent. The foregoing remedy shall be cumulative of any other remedies available to the Escrow Agent provided hereunder or in law or at equity. Should any suit or legal proceeding be instituted growing out of or related to this Escrow Agreement, whether such suit be initiated by the Escrow option, to stop all further proceedings under and performance of this Escrow Agreement and of all instructions received hereunder until all differences shall have been rectified and all doubts resolved by agreement or until the rights of all parties shall have been fully and finally adjudicated.

8. Fees, Expenses and Charges. Unless otherwise stated herein, Seller and Bidder shall be liable 50/50 for the expenses and charges of the Escrow Agent, including reasonable fees, expenses, and charges in connection with this Escrow Agreement and its services hereunder, which expenses and charges shall be payable on demand. The Escrow Agent may deduct unpaid expenses and charges from amounts otherwise distributable to Seller for its half and bill Bidder for its half.

9. Notices and Instructions. All notices, advice, and/or instructions ("Notices") provided for or permitted hereunder shall be in writing and shall be deemed given if delivered personally or mailed, by certified or registered mail, return receipt requested, with postage prepaid, and addressed to the parties hereto as follows:

a. If to Bidder:

Name: Town of Pagosa Springs
Address: 551 Springs Blvd.
Pagosa Springs, CO 81147
Email: David Harris
dharris@pagosasprings.co.gov
James Dickhoff
jdickhoff@pagosasprings.co.gov
Jeff Sams
jeff@pagosaspringscdc.org

With a copy to:

Collins Cole Winn and Ulmer, PLLC
165 S. Union Blvd Suite 785
Lakewood, CO 80228
Robert Cole, Esq.
rcole@cogovlaw.com

and

Bryan Cave Leighton Paisner LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541
Fax: (303) 866-0200
David Unseth, Esq.
David.Unseth@bclplaw.com
Bruce Likoff, Esq.
Bruce.Likoff@bclplaw.com

b. If to Seller:
Village Pointe Condominiums
Property Owners Association, Inc.
Attn: Amy Bornmann, President
42 Pinion Causeway
Pagosa Springs, CO 81447

With a copy to:
K&L Gates, LLP
Attn: Daniel M. Eliades
One Newark Center – 10th Floor
Newark, New Jersey 07102
Phone: 973-848-4018
Email: Daniel.Eliades@klgates.com

c. If to Escrow Agent:
Bank of the San Juans

With a copy to:
Bank of the San Juans

10. Entire Agreement; Governing Law. This Escrow Agreement contains the entire agreement of the Parties with regard to the matters set forth herein and it may not be amended or modified except in writing signed by all of the Parties hereto. This Escrow Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado and the Escrow Account shall be administered at the offices of the Escrow Agent.

11. Successors and Assigns. This Escrow Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns. This Escrow Agreement shall not be assignable by any of the Parties hereto without the prior written consent of the other Parties.

12. Counterparts. This Escrow Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute but a single instrument.

[Execution on Following Page(s)]

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the day last executed below.

SELLER:
Village Pointe Condominiums Property Owners Association, Inc.,
a Colorado nonprofit corporation

____________________________ _____________
By: Amy Bornmann Date
Its: President

BIDDER:
Town of Pagosa Springs,
a municipal corporation and political subdivision of the State of Colorado

____________________________ _____________
By: Date
Its:

ESCROW AGENT:
Bank of the San Juans

____________________________ _____________
By: Date
Its:

Exhibit "A"
Legal Description

Building 001D, Units 7501-7504;
Building 002D, Units 7505-7508;
Building 003D, Units 7509-7512;
Building 004D, Units 7513-7516;
Building 005D, Units 7517-7524; and
Building 006D, Units 7525-7532

Of Village Pointe Condominiums, as more fully described and set forth in Declaration of Condominium and Interval Ownership for Village Pointe Condominiums, recorded January 6, 1989, at Reception No. 160495, Official Records Archuletta County, Colorado, as the same has been amended, supplemented, and/or restated.

Exhibit B
Escrow Agent's Wiring Instructions

EXHIBIT D

ENVIRONMENTAL DOCUMENTS

- Phase I Environmental Site Assessment, Dated December 31, 2025

EXHIBIT E

MAINTENANCE TASKS

1. Inspect the Property no less frequently than weekly to determine whether utilities are functioning, property damage has occurred, and whether animals have entered the Property, and timely remediate any issues noted by the inspector; provided that property damage, if any, due to casualty shall be addressed as provided in Section 13.1.

2. Use commercially reasonable efforts to remove rodents/varmints) from crawl spaces and reinstall vent covers that have fallen off outside of crawl spaces.

3. Lawn mowing and snow removal as required.

4. Maintenance of existing lighting in working order.

5. Maintain in force a pest extermination contract with a third-party vendor, such as Orkin, for inside and outside service, to include spraying for spiders, ants, and putting out mouse traps, spider traps and other if needed.

SCHEDULE 1

(Executory Contracts)

None

SCHEDULE 2

(Unexpired Leases)

None

SCHEDULE 3

(Equipment Leases)

None

AGENDA BRIEF

MEETING: Town Council Special Meeting
FROM: David Harris

PROJECT:	Ordinance 1032 (Series 2026), First Reading, An Ordinance Authorizing the Acquisition of Real Property known as Elk Run Townhomes in Pagosa Springs, Colorado
ACTION:	Discussion and Action

PURPOSE/BACKGROUND:

ATTACHMENTS:

1. Ordinance 1032 Authorizing Acquisition of Elk Run Townhomes Property Owners Association, Inc. (2)

TOWN OF PAGOSA SPRINGS, COLORADO

ORDINANCE NO. 1032
(SERIES 2026)

AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY KNOWN AS ELK RUN TOWNHOMES IN PAGOSA SPRINGS, COLORADO

WHEREAS, the Town of Pagosa Springs ("Town") is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Pagosa Springs Home Rule Charter of 2003 as amended ("Charter"); and

WHEREAS, pursuant to Section 1.4 of the Charter, the Town has all the power of local self-government and home rule and all power possible for a municipality to have under the Constitution and laws of the State of Colorado; and

WHEREAS, pursuant to Section 12.19 of the Charter, the Town Council of the Town (the "Town Council") may by ordinance purchase, sell, exchange, receive by donation, enter into a lease for greater than two years, or dispose of any interest in real property including easements; and

WHEREAS, the Town Council desires to acquire certain real property known as the Elk Run Townhomes, 457 and 577 Talisman Drive, Units 7101 through 7118 and together with all common elements owned or associated with Elk Run Townhomes Property Owners Association, Inc., Pagosa Springs, Colorado (the "Property"); and

WHEREAS, the Property is currently subject to that certain bankruptcy proceeding Case No. 26-10311, filed in the US Bankruptcy Court for the District of Colorado, pursuant to which Elk Run Townhomes Property Owners Association, Inc. ("Seller") is seeking to sell the Property; and

WHEREAS, the Town Council hereby finds and determines that acquisition of the Property is appropriate and necessary to the function and operation of the Town and wishes to enter into the Purchase and Sale Agreement with Seller attached hereto as Exhibit A and incorporated herein by reference ("Contract") to purchase the Property for the purchase price set forth therein and, if the Property proceeds to auction, to authorize the Town Manager to increase the purchase price set forth therein (such purchase price, the "Purchase Price") and amend other terms of the Contract as appropriate.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, as follows:

Section 1. Incorporation of Recitals. The above Recitals are hereby incorporated into this Ordinance by this reference.

Section 2. Authorization of Contract. The Contract, in substantially the form attached as Exhibit A, is in all respects approved, authorized and confirmed. The Council hereby approves the purchase of the Property by the Town.

Section 3. Authorization of Earnest Money. Earnest Money, in an amount of 10% of Purchase Price is approved, authorized and confirmed.

Section 4. Authorization of Bid Amount. If the Property proceeds to auction as provided in the Sale Procedures approved in the bankruptcy proceeding, the Town Manager, in consultation with the Town's Finance Director, Financial Advisor, Development Director, Housing Coordinator, Town Attorney and Special Counsel, may increase the Purchase Price to an amount that can be reasonably financed so that project revenues will be equal to or exceed acquisition cost for the Property and amend other terms of the Contract as appropriate.

Section 5. Execution of Miscellaneous Documents. The Town Manager and/or the Mayor are authorized and directed to execute the Contract in substantially the form attached (and any appropriate amendments thereto) and related documents necessary to purchase the Property, for and on behalf of the Town. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Council or the Town on the Contract.

Section 6. Public Inspection. The full text of this Ordinance, with any amendments, is available for public inspection at the office of the Town Clerk.

Section 7. Severability. If any portion of this Ordinance is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

Section 8. Public Hearing. A public hearing on this Ordinance shall be held on the _____ day of _________________, 2026, at ____ p.m. at the Pagosa Springs Town Hall, 551 Hot Springs Boulevard, Pagosa Springs, Colorado.

Section 9. Effective Date. This Ordinance shall become effective and be in force immediately upon final passage at second reading.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, B) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE 10th DAY OF June, 2026.

TOWN OF PAGOSA SPRINGS, COLORADO

By:___________________________________
Shari Pierce, Mayor

ATTEST:

By:________________________
April Hessman, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3.9, D) OF THE PAGOSA SPRINGS HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF PAGOSA SPRINGS, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS [REGULAR/SPECIAL] MEETING HELD AT THE TOWN OF PAGOSA SPRINGS, ON THE _______ DAY OF ________________, 2026.

TOWN OF PAGOSA SPRINGS, COLORADO

By:_________________________________
Shari Pierce, Mayor

ATTEST:

By:________________________
April Hessman, Town Clerk

EXHIBIT A

Purchase and Sale Agreement

CERTIFICATE OF PUBLICATION

I, the duly appointed, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. ___ (Series 2026) was approved by the Town Council of the Town of Pagosa Springs on first reading at its regular meeting held on the ____ day of ________, 2026, and was published by title only, along with a statement indicating that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on _________, 2026, which date was at least ten (10) days prior to the date of Town Council consideration on second reading.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this __ day of _________, 2026.

April Hessman, Town Clerk

(S E A L)

I, the duly appointed, qualified and acting Town Clerk of the Town of Pagosa Springs, Colorado, do hereby certify the foregoing Ordinance No. ___ (Series 2026) was approved by the Town Council of the Town of Pagosa Springs on second reading, at its regular meeting held on the ___ day of ___________, 2026, and was published by title only, along with a statement indicating the effective date of the Ordinance and that the full text of the Ordinance is available at the office of the Town Clerk, on the Town's official website, on _____________, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town of Pagosa Springs, Colorado, this ___ day of _________, 2026.

April Hessman, Town Clerk

(S E A L)

STALKING HORSE PURCHASE AND SALE AGREEMENT

THIS STALKING HORSE PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of this 10 day of, 2026 (the "Effective Date") by and between Elk Run Property Owners Association, Inc. ("Seller" or "Property Association" or "Debtor"), and the Town of Pagosa Springs, a municipal corporation and political subdivision of the State of Colorado ("Purchaser"). Seller and Purchaser are sometimes referred to herein individually as a "Party", and collectively as the "Parties".

WHEREAS, Seller desires to sell certain property(ies) located at 457 Talisman Drive (Units 7101–7108) and 537 Talisman Drive (Units 7109–7118), Pagosa Springs, Colorado, consisting of 5 buildings containing 18 condominium units as more particularly described on **Exhibit A** attached hereto (the "Property" as defined below). The Property is operated as a timeshare resort.

WHEREAS, there are 18 condominium units at the Property, each of which contains 52-unit weeks resulting in a total of 936-unit weeks (or intervals) in the condominium (each, an "Interval"). Each Interval constitutes a tenant-in-common fee simple interest in the Property and, collectively, constitute the entire fee simple interest in the Property.

WHEREAS, all owners of Intervals are members of the Property Association ("Association Members").

WHEREAS, pursuant to a Special Warranty Deed dated September 3, 2025, the Property Association owns the following 18 Intervals:

Phase One:

- *Building 1, Units 7101, 7102, 7103 and 7104, Week 14*
- *Building 2, Units 7105, 7106, 7107 and 7108, Week 14*
- *Building 3, Units 7109, 7110, 7111 and 7112, Week 43*
- *Building 4, Units 7113, 7114, 7115 and 7116, Week 43*

Phase Two:

- *Building 5, Units 7117 and 7118, Week 43*

WHEREAS, the Special Warranty Deed was recorded on September 4, 2025, in the Clerk's Office as Reception No. 22503610 of the public records of Archuleta County, Colorado.

WHEREAS, Seller owns the 18 referenced Intervals at the Property and a concomitant share of the common elements at the Property (the "Association Interest"), which comprises 1.92% of the total Intervals at the Property. (The Intervals owned by the Association are sometimes referred to as the maintenance weeks.) The Property Association owns the 18 referenced Intervals as a tenant-in-common with all other Interval owners.

WHEREAS, First American Trust, FSB, as Trustee, Duly Appointed Under the Declaration of Trust for the Club Wyndham Access Vacation Ownership Plan ("First American Trust") owns 179 Intervals at the Property, which is 19.12% of the total Intervals. WorldMark, the Club (the "Club") owns 340 Intervals at the Property, which is 36.32% of the total Intervals. Wyndham Vacation Resorts, Inc. ("WVR") owns 94 Intervals at the Property, which is 10.05% of the total Intervals. The remaining 305 Intervals (32.59% of the total Intervals) are owned by parties to corresponding contracts ("Interval Owners"), with each Interval having its own separate corresponding contract.

WHEREAS, First American Trust, the Club, WVR, and Interval Owners are all Association Members and own the Intervals.

WHEREAS, The Property is subject to the Declaration of Restrictions Second Replat of South Village Lake recorded in Book 190, at Page 760 in the Clerk's Office, and the Supplemental Declaration of Restrictions recorded in Book 201, at Page 15 in the Clerk's Office – collectively, the "Master Declaration". The Master Declaration provides that the Property (Elk Run Townhouses) is a subdevelopment within a larger master development known as Fairfield Pagosa.

WHEREAS, The Master Declaration also provides that (i) Association Members are also members of the Master Association, and (ii) are obligated to make periodic payments to the Master Association for the "operation and use, of all recreational facilities, and other properties within the Subdivision as it may from time to time own or agree to maintain."

WHEREAS, on January 20, 2026, Seller filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Colorado ("Bankruptcy Court"), which is administered under Case Number 26-10311 ("Bankruptcy Case"). The Debtor in the Bankruptcy Case is the Seller.

WHEREAS, on April 17, 2026, the Debtor filed (a) a *Motion for Entry of an Order (I) (A) Approving Auction and Bidding Procedures, (B) Authorizing the Debtor to Designate a Stalking Horse Bidder, (C) Scheduling Bid Deadlines and Auction, and (D) Approving the Form and Manner of Notice Thereof, and (II) Granting Related Relief* [ECF No. 126] (the "Sale Procedures Motion"), and (b) the Plan.

WHEREAS, the Bankruptcy Court granted the Sale Procedures Motion by order dated May 13, 2026 [ECF No. 142] (the "Sale Procedures Order").

WHEREAS, Seller has designated the Purchaser as a Qualified Bidder and the Stalking Horse Bidder (as each such term is defined in the Sale Procedures Order) for the purchase of the Property and has designated this Agreement as a Qualified Bid and the Stalking Horse Agreement (as each such term is defined in the Sale Procedures Order), each in accordance with the Sales Procedures Order.

WHEREAS, the Debtor intends to file one or more adversary proceedings in the Bankruptcy Case pursuant to section 363(h) of the Bankruptcy Code, pursuant to which Debtor will seek entry of orders and/or judgments authorizing the sale of all right, title and interest of Seller and all other Association Members in the Property (the "Section 363(h) Proceedings").

WHEREAS, Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, on the terms set forth in this Agreement, in accordance with and pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code").

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Recitations. The foregoing recitations are true and correct and are incorporated into this Agreement as if fully set forth herein.

1.2 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms when used in this Agreement shall have the meanings set forth in this Section 1.2. Any capitalized term in the Agreement that is not defined herein shall have the meaning ascribed to it in the Sale Procedures Order.

"Affiliate" means, with respect to the Person in question, any other Person that, directly or indirectly, (i) owns or controls fifty percent (50%) or more of the outstanding voting and/or equity interests of such Person, or (ii) controls, is controlled by or is under common control with, the Person in question. For the purposes of this definition, the term "control" and its derivations means having the power, directly or indirectly, to direct the management, policies or general conduct of business of the Person in question, whether by the ownership of voting securities, contract or otherwise.

"Alternative Transaction" means any transaction or series of related transactions with any party(ies) other than Purchaser, pursuant to which Seller sells, transfers or otherwise disposes of all or any portion of the Property, including through a sale transaction or a plan of reorganization approved by the Bankruptcy Court.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other Applicable Law addressing or in any way relating to terrorist acts and acts of war.

"Applicable Law" means (i) all federal, state, and local statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority, stock exchange, board of fire underwriters and similar quasi-governmental authority, and (ii) any judgment, injunction, order or other similar requirement of any court or other adjudicatory authority, in effect at the time in question and in each case to the extent the Person or property in question is subject to the same.

"Association" shall mean, only for purposes of Section 2.6 hereof, the Property Association and the Master Association.

"Assumed Liabilities" has the meaning set forth in Section 2.4 hereof.

"Auction" shall have the meaning set forth in the Sale Procedures Order.

"Back-Up Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Business Day(s)" shall mean every day other than (i) Saturdays, (ii) Sundays, (iii) all days observed by the Federal Government of the United States as legal holidays and (iv) all days on which commercial banks in Colorado are required by law to be closed.

"Casualty" has the meaning set forth in Section 13.1 hereof.

"Closing" has the meaning set forth in Section 10.1 hereof.

"Closing Condition Date" has the meaning set forth in Section 10.1 hereof.

"Closing Date" has the meaning set forth in Section 10.1 hereof.

"Closing Statement" means a closing statement prepared by the Title Company in connection with Closing.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations, rulings and guidance issued by the Internal Revenue Service.

"Community" shall mean, only for purposes of Section 2.6 hereof, the common interest community administered by the Property Association and the common interest community administered by the Master Association.

"Condemnation" has the meaning set forth in Section 13.2 hereof.

"Confirmation Order" means a Final Order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

"Contracts" means, collectively, the Leases and Executory Contracts and any written or oral note, bond, mortgage, contract, license, lease, sublease, covenant, commitment, power of attorney, proxy, indenture, or other binding agreement or arrangement.

"COPs" has the meaning set forth in Section 4.3 hereof.

"Cure Amounts" or "Cure Costs" mean the aggregate monetary sum required to be paid to the counterparties under the Purchased Contracts to be assigned by the Seller and assumed by Purchaser in accordance with Section 2 hereof.

"Deeds" has the meaning set forth in Section 10.2.1(a) hereof.

"Earnest Money" means, at the time in question, the Earnest Money Deposit (as defined in Section 3.2.1 hereof) (and any additional amounts as may be deposited with Escrow Agent), together with all interest and any other amounts earned thereon.

"Earnest Money Escrow Agreement" has the meaning set forth in Section 3.2.1 hereof.

"Environmental Claims" means all claims for reimbursement, remediation, abatement, removal, clean up, contribution, personal injury, property damage or damage to natural resources made by any Governmental Authority or other Person arising from or in connection with the (i) presence or actual or potential spill, leak, emission, discharge or release of any Hazardous Substances over, on, in, under or from the Property, or (ii) violation of any Environmental Laws with respect to the Property.

"Environmental Laws" means any Applicable Laws which regulate the manufacture, generation, formulation, processing, use, treatment, handling, storage, disposal, distribution or transportation, or an actual or potential spill, leak, emission, discharge or release of any Hazardous Substances, pollution, contamination or radiation into any water, soil, sediment, air or other environmental media, including, without limitation, (a) the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §§ 9601 et seq.) ("CERCLA"); (b) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.) ("RCRA"); (c) the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq. (1969), as amended); (d) the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.); (e) the Clean Air Act (42 U.S.C. §§ 7401 et seq.); (f) the Clean Water Act (33 U.S.C. §§ 1251 et seq.); (g) the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); (h) the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 et seq.); (i) any state, county, municipal or local Applicable Laws similar or analogous to the federal statutes listed in parts (a)-(h) of this definition; and (j) any rules, regulations, directives, or orders pursuant to or implementing the Applicable Laws listed in parts (a)-(i) of this definition.

"Escrow Agent" means Bank of the San Juans.

"Executory Contract" means any existing executory contract or unexpired lease of personal property between any Seller and any other Person or Persons regarding the Property.

"Executory Contract Order" means a Final Order, in form and substance reasonably acceptable to Purchaser, granting the Assumption/Rejection Motion as defined below.

"Final Order" means an Order of the Bankruptcy Court or a court of competent jurisdiction to hear appeals from the Bankruptcy Court that has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari or move for re-argument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing shall then be pending; provided, however, that the possibility that a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.

"Governmental Authority" means any federal, state or local government or other political subdivision thereof, including, without limitation, any Person exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question. For the avoidance of doubt, Governmental Authority shall include any government agency or body responsible for enacting tax laws, assessing taxes, enforcing tax compliance, or collecting tax revenue.

"Hazardous Substances" means all substances, chemicals, wastes, materials, pollutants, or contaminants defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, or defined as hazardous or toxic by, or regulated as such under, any applicable Environmental Law, including RCRA hazardous wastes, CERCLA hazardous substances, asbestos, toxic mold, and polychlorinated biphenyls.

"Land" has the meaning set forth in Section 2.1.1 hereof.

"Lease" means any lease, master lease, sublease or sub-sublease, letting, license, sublicense or sub-sublicense, concession, or other agreement (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy, all or any portion of the Property, and every modification, amendment, or other agreement (whether written or oral) relating to such lease, license, or other agreement entered into in connection with such lease, license, or other agreement, whether in existence before or after the Petition Date. A list of "Unexpired Leases" is attached at **Exhibit B** hereto.

"Liability" or "Liabilities" means any liability, obligation, damage, loss, diminution in value, cost or expense of any kind or nature whatsoever, whether accrued or unaccrued, actual or contingent, known or unknown, foreseen or unforeseen.

"Lien" means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any "lien" as defined in Section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

"Master Association" means the Pagosa Lakes Property Owners Association, a Colorado nonprofit corporation.

"Material Casualty" has the meaning set forth in Section 13.1.1 hereof.

"Material Condemnation" has the meaning set forth in Section 13.2.1 hereof.

"Order" means an order or judgment entered in the Bankruptcy Case (or in any adversary proceeding filed in the Bankruptcy Case) by the Bankruptcy Court as entered on the docket for the Bankruptcy Case (or adversary proceeding) as well as any writ, judgment, decree, award, ruling, subpoena, verdict, injunction or similar order of any Governmental Authority (in each such case whether preliminary or final).

"Permitted Exception(s)" has the meaning set forth in Section 5.3 hereof.

"Person" means any natural person, corporation, general or limited partnership, limited liability company, association, joint venture, trust, estate, Governmental Authority or other legal entity, in each case whether in its own or a representative capacity.

"Petition Date" means January 20, 2026, the date upon which the Debtor filed a petition commencing the Bankruptcy Case.

"Plan" means the *Plan of Liquidation* [ECF No. 129] filed in the Bankruptcy Case, as same may be modified, amended or supplemented from time to time.

"Property" has the meaning set forth in Section 2.1 hereof.

"Property Association" has the meaning set forth in the Preamble hereof.

"Prorations" has the meaning set forth in Section 11.1 hereof.

"Rejected Contract(s)" means those Executory Contracts and Leases which are rejected by the Debtor pursuant to Section 365 of the Bankruptcy Code.

"Rejection Claim" means any claim under the Bankruptcy Code that arises in favor of the third party to any Executory Contract or Lease that is a Rejected Contract.

"Related Bankruptcy Cases" means the Chapter 11 bankruptcy cases of the Related Debtors, administered under Case Numbers 26-10313 and 26-10314, each pending in the Bankruptcy Court.

"Related Debtor Bids" means the bids submitted by Purchaser in connection with the Related Debtor Sales.

"Related Debtor Sales" mean sales of the property of the Related Debtors pursuant to procedures substantially similar to the Sale Procedures.

"Related Debtors" means Masters Place Condominiums Property Owners Association, Inc. and Village Pointe Property Owners Association, Inc., as Chapter 11 debtors in possession in the Related Bankruptcy Cases.

"Release" means any release, spill, emission, discharge, leaking, leaching, pumping, pouring, dumping, emptying, injection, deposit, disposal of or migration into or through the indoor or outdoor environmental medium or into or out of any property.

"Sale Motion" shall mean a motion that seeks entry of the Sale Order

"Sale Order" shall mean a Final Order of the Bankruptcy Court, in form and substance reasonably satisfactory to Purchaser, approving this Agreement and the sale of the Property to Purchaser pursuant to Section 363(f) of the Bankruptcy Code and authorizing Debtor to sell, assign, and transfer all right, title and interest of Seller and all other Association Members in the Property, free and clear of all Liens, interests, encumbrances and claims (including successor liability claims) other than the Permitted Exceptions.

"Sale Procedures" means the auction and bidding procedures set forth in the Sale Procedures Order.

"Section 363(h) Proceedings" shall have the meaning set forth in the recitals hereto.

"Section 363(h) Proceeding Judgments" shall mean the Final Orders of the Bankruptcy Court entered in the Section 363(h) Proceedings, in form and substance reasonably satisfactory to Purchaser, authorizing Seller to sell, assign and transfer all right, title and interest of Seller and all other Association Members in the Property pursuant to Section 363(h) of the Bankruptcy Code.

"Seller Parties" means, collectively, Seller and each of the other Association Members.

"Stalking Horse Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Stalking Horse Motion" shall mean a motion, in form and substance acceptable to Purchaser, that seeks entry of the Stalking Horse Order.

"Stalking Horse Order" shall mean a Final Order of the Bankruptcy Court, in form and substance reasonably acceptable to Purchaser, that, among other things, (a) approves Seller's designation of Purchaser as a Qualified Bidder and the Stalking Horse Bidder, (b) approves Seller's designation of this Agreement as a Qualified Bid and the Stalking Horse Bid, (c) approves payment of the Break-Up Fee and the Expense Reimbursement as superiority administrative expense claims pursuant to Sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code on the terms and conditions contained in this Agreement, and (d) authorizes Purchaser to receive credit for the amount of the Break-Up Fee and the maximum Expense Reimbursement amount in connection with any subsequent bid it makes for the Property.

"Stalking Horse Protections" shall have the meaning set forth in Section 12.3 hereof.

"Successful Bidder" shall have the meaning set forth in the Sale Procedures Order.

"Taxes" means any federal, state, local or foreign, real property, personal property, sales, use, room, occupancy, ad valorem (real or personal property) or similar taxes, assessments, levies, charges or fees imposed by any Governmental Authority on Seller with respect to the Property, including any assessment, interest, penalty or fine with respect thereto, but expressly excluding any (i) federal, state, local or foreign income, capital gain, gross receipts, capital stock, franchise, profits, estate, gift or generation skipping tax or (ii) transfer, documentary stamp, recording or similar tax, levy, charge or fee incurred with respect to the transaction described in this Agreement.

"Tenant" means a Person counterparty to a Lease entered into with the Seller.

"Title Commitments" has the meaning set forth in Section 5.1 hereof.

"Title Company" means First National Title Insurance Company.

"Unpermitted Exceptions" has the meaning set forth in Section 5.3 hereof.

1.3 Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

1.3.1. All references herein to articles or sections without reference to a specific document are references to articles or sections of this Agreement.

1.3.2. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement in its entirety and not the article or section of this Agreement in which they appear.

1.3.3. The word “including” means “including but not limited to.”

1.3.4. All Recitals and Exhibits to this Agreement, including any amendments and supplements hereto, are hereby incorporated herein and made a part of this Agreement.

ARTICLE II
THE PROPERTY AND LIABILITIES

2.1 Description of the Property. Subject to the terms set forth in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Purchaser, and Purchaser shall purchase and accept from Seller, all right, title and interest of Seller and all other Association Members in and to the property and assets set forth in this Section 2.1 (collectively, the “Property”):

2.1.1. all of the fee simple interest in, to and under the land described in **Exhibit A** attached hereto, (collectively, the “Land”);

2.1.2. all right, title and interest in, to and under all privileges and easements appurtenant to the Land, including, without limitation, right, title and interest of Seller and all other Association Members in, on and under the Land, all easements, rights of way or other appurtenances used or useful in connection with the beneficial use and enjoyment of the Land, all development rights and credits, including air rights, if any, all strips and gores, streets, alleys, easements, rights-of-way, public ways, or other rights appurtenant, adjacent, or connected to the Land, and all assignable permits, licenses, approvals and authorizations issued by any Governmental Authority, quasi-governmental authority or utility provider (collectively, the “Appurtenances”);

2.1.3. all right, title and interest in and to all improvements and fixtures located on the Land, including, without limitation, all furniture, fixtures, and appliances (to the extent the same are fixtures) located in the 20 units that comprise the Property together with all buildings and structures located on the Land (collectively, the “Improvements”);

2.1.4. subject to the provisions of Section 2.2 hereof, all right, title and interest of Seller and all other Association Members in and to the Executory Contracts and Unexpired Leases identified on **Schedule 1** and **Schedule 2**, respectively, attached hereto;

2.1.5. subject to the provisions of Section 2.2 hereof, all leases and purchase money security agreements for any equipment, machinery, vehicles, furniture or other personal property located at the Property, together with all deposits made thereunder, to the extent the same and such deposits are transferable or the Parties obtain any consent necessary to effectuate such a transfer (collectively, the “Equipment Leases”) each of which are referenced on **Schedule 3** attached hereto;

2.1.6. all right, title and interest in and to water, water rights, raw water and irrigation rights and shares in any ditch, reservoir, water or similar company, relating to the Land;

2.1.7. all right, title and interest in and to minerals, oil, gas, and other hydrocarbon substances in, under, or that may be produced from the Land, if any; and

2.1.8. (a) all improvement plans, drawings and specifications (including, without limitation, CAD files), and all credits and reimbursements relating to the Property; (b) all books, records, reports, test results, environmental assessments, if any, as-built plans, specifications, and other similar documents and materials relating to the use, operation, maintenance, repair, construction, or fabrication of all or any portion of the Property; (c) all transferable architectural, site, landscaping or other permits, applications, approvals, authorizations, and other entitlements affecting any portion of the Property; (d) all transferable guarantees, warranties, and utility contracts relating to all or any portion of the Property; and (e) all utility fees and deposits, utility line extension reimbursements and other reimbursements, all to the extent in Seller's possession or control.

2.2 Executory Contracts and Unexpired Leases.

2.2.1. Purchaser hereby designates the Executory Contracts, Unexpired Leases, and Equipment Leases identified on **Schedule 1, Schedule 2, and Schedule 3** hereto as "Purchased Contracts" under this Agreement. Any Executory Contracts, Unexpired Leases, and Equipment Leases that are not identified on **Schedule 1, Schedule 2, and Schedule 3** hereto shall be deemed an "Excluded Contract" under this Agreement. Any Excluded Contract may be assumed or rejected by Seller in its sole discretion.

2.2.2. Within three (3) Business Days after the completion of the Auction, the Seller shall file a motion with the Bankruptcy Court regarding the proposed assumption or rejection of Purchased Contracts and Excluded Contracts (the "Assumption/Rejection Motion"). The Assumption/Rejection Motion shall provide all applicable counterparties with (i) notice of the proposed treatment of their respective executory contract(s) or unexpired lease(s); (ii) the amount to be paid, if any, to cure any existing default(s) – the Cure Costs; (iii) establishing deadlines for objection to the proposed treatment of the executory contract and/or unexpired lease as set forth in the Assumption/Rejection Motion, including payment of the Cure Costs; and (iv) establishing a hearing date for the resolution of any filed objections to the Assumption/Rejection Motion.

2.2.3. Subject to entry of the Executory Contract Order, on the Closing Date the Purchased Contracts shall be deemed assumed by the Seller and assigned to Purchaser pursuant to Sections 365(b)(l)(A) and (B) and 365(f) of the Bankruptcy Code. In addition to the Purchase Price, Purchaser shall assume all obligations and Liabilities under the Purchased Contracts, including any Cure Amounts allowed by Final Order. For the avoidance of doubt, after the Closing Seller shall not be responsible for compliance with any Purchased Contract and shall not be responsible for any costs associated therewith. If there are any costs or fees associated with the assignment of a Purchased Contract to Purchaser, Purchaser shall be responsible for payment of all such costs and fees. All Cure Costs shall be the responsibility of Purchaser, in addition to the Purchase Price and payment of Cure Costs shall not be credited against or deducted from the Purchase Price.

2.2.4. Purchaser shall have no Liabilities for any Cure Costs or Rejection Claim of a counterparty to an Excluded Contract.

2.2.5. Notwithstanding the foregoing, so long as an Excluded Contract has not been rejected by the Seller pursuant to Section 365 of the Bankruptcy Code and Final Order of the Bankruptcy Court, Seller shall, upon written request by Purchaser, seek to assign such Excluded Contract to Purchaser, and Purchaser shall assume the same in accordance with Sections 2.2 hereof.

2.3 Cure Costs. Subject to the entry of the Executory Contract Order, Cure Costs shall be paid at the Closing (or in the case of a dispute, the disputed amount shall be escrowed at the Closing with the Escrow Agent pursuant to an escrow arrangement reasonably acceptable to Seller and Purchaser).

2.4 Assumed Liabilities. At Closing, Purchaser shall assume all Liabilities arising or occurring from and after the Closing with respect to the Property and the Purchased Contracts, but expressly excluding the Retained Liabilities (all Liabilities, except for the Retained Liabilities, shall be referred to herein as "Assumed Liabilities").

2.5 Retained Liabilities. At Closing, Seller shall retain all Liabilities to the extent arising or occurring prior to the Closing Date with respect to the Property, the Purchased Contracts or the Excluded Contracts (the "Retained Liabilities").

2.6 Owner's Association.

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

2.6.2 Association Documents to Purchaser. Upon Purchaser's written request, Seller shall provide to Purchaser the requested Association Documents (defined below), at Seller's expense, within five (5) Business Days after Purchaser's request. Seller authorizes the Association to provide the Association Documents to Purchaser, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Purchaser's receipt of the requested Association Documents, regardless of who provides such documents.

2.6.3 Association Documents. Association documents ("Association Documents") may consist of any of the following:

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

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

(C) List of all Association insurance policies as provided in the Association's last Annual Disclosure, including, 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);

(D) 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;

(E) 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 (§§ (D) and (E), collectively, Financial Documents);

(F) 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 including any problems or defects in the common elements or limited common elements of the Association property.

2.7 Survival. The Parties rights and obligations under this Article II shall survive the Closing.

ARTICLE III
PURCHASE PRICE

3.1 Purchase Price. The purchase price for the Property is Two Million Four Hundred Thirty-Two Thousand Seven Hundred and 00/100 Dollars ($2,432,700) (the "Purchase Price"), as adjusted by the prorations and adjustments provided elsewhere in this Agreement.

3.2 Earnest Money.

3.2.1. Earnest Money Deposit. Upon the latest of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder, Purchaser shall deposit with Escrow Agent the sum which is equal to five percent (5%) of the Purchase Price (the "Earnest Money Deposit"). In the event that Purchaser is subsequently selected as the Successful Bidder or the Back-Up Bidder after the conclusion of the Auction, Purchaser shall increase the Earnest Money Deposit to ten (10%) of the Purchase Price within two (2) Business Days after the conclusion of the Auction. The Earnest Money Deposit shall be held by Escrow Agent in escrow as earnest money pursuant to the escrow agreement in substantially the form attached hereto as **Exhibit C**, entered into among Seller, Purchaser and Escrow Agent (the "Earnest Money Escrow Agreement"). Escrow Agent shall hold the Earnest Money Deposit in an interest-bearing account insured by the FDIC or in short-term debt instruments issued by the Treasury of the United States. Such account or debt instruments shall have no penalty for early withdrawal. The Earnest Money Deposit shall be maintained by the Escrow Agent to comply with the requirements of the Bankruptcy Court and the Sale Procedures Order. **EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE EARNEST MONEY DEPOSIT SHALL BE NONREFUNDABLE TO PURCHASER.**

3.2.2. Disbursement of Earnest Money. At Closing, the Earnest Money shall be applied to the Purchase Price. If this Agreement is terminated for any reason and Purchaser is not entitled to a refund of the Earnest Money pursuant to the express provisions of this Agreement, the Earnest Money shall be disbursed in accordance with the provisions of the Earnest Money Escrow Agreement and/or other applicable Order. If this Agreement is terminated by Purchaser pursuant to Sections 4.3, 5.3, 5.4. 9.1.2, 9.2.2, 9.4, 12.1, 13.1.1, or 13.2.1, the Earnest Money shall be refunded to Purchaser within five (5) Business Days of such termination. Seller and Purchaser shall deliver joint written instructions to the Escrow Agent to release the Earnest Money in accordance with this Section 3.2.2. This Section 3.2.2 shall survive the termination of this Agreement.

3.3 Payment of Purchase Price. At Closing, Purchaser shall deposit with Escrow Agent, in immediately available funds, an amount equal to the Purchase Price as adjusted by the prorations and adjustments provided elsewhere in this Agreement and less the Earnest Money.

3.4 Disbursement of Earnest Money and Purchase Price. The Purchase Price, inclusive of the Earnest Money, shall be distributed by the Escrow Agent in accordance with the provisions of the Sale Order and/or other applicable Order.

3.5 Like-Kind Exchange.

Notwithstanding anything to the contrary in this Agreement, each Party acknowledges and agrees that the other Party or Parties (as the case may be) has the right to designate this transaction to qualify as a tax-free exchange under Section 1031 of the Code, and that Purchaser shall have the right to assign this Agreement to a "qualified intermediary" (as defined in Treas. Reg. § 1.1031(k)-1(g)(4) of the Code) or such other entity or entities as is necessary to carry out a 1031 exchange. Each Party shall execute and deliver such documents as may reasonably and customarily be required to complete the transactions contemplated by any such tax-free exchange, which are in form and substance reasonably acceptable to the other applicable Parties, and otherwise cooperate in all reasonable respects with respect to such tax-free exchange, provided that (i) Seller shall not be required to take title to any property, and (ii) neither such tax-free exchange nor Seller's cooperation therewith shall result in any delay to the Closing, nor the imposition of any cost or liability upon Seller or Purchaser, as the case may be.

ARTICLE IV
CONTINGENCIES

4.1 Contingencies. Purchaser acknowledges and agrees that Purchaser has completed all of its due diligence investigations with respect to the Property and is satisfied with the same. For the avoidance of doubt, it is expressly understood and agreed to by Purchaser that there is no due diligence or financing contingency, or other contingency under this Agreement, which gives Purchaser a right of termination, except as provided in Section 4.3. Purchaser's only termination rights are set forth in Sections 4.3, 5.3, 5.4, 9.1.2, 9.2.2, 9.4, 12.1, 13.1.1, and 13.2.1 hereof.

4.2 Ordinance Adoption. Purchaser's obligations under this Agreement shall be contingent upon (a) the approval of an ordinance approving this Agreement by Purchaser (the "Ordinance"), and (b) the Ordinance becoming final and effective (such events, the "Ordinance Adoption"). Purchaser shall commence the process for obtaining approval of the Ordinance upon the latest of (a) Purchaser's execution of this Agreement, (b) Seller's designation of Purchaser as the Stalking Horse Bidder, and (c) entry of the Stalking Horse Order. If Ordinance Adoption has not occurred within forty-five (45) days after commencement of the process for obtaining approval of the Ordinance, Seller may terminate this Agreement, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3 hereof and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination.

4.3 Bond Financing. Purchaser intends to issue Certificates of Participation ("COPs") in an amount sufficient to finance the acquisition of the Property and the property identified in the Related Debtor Bids. In connection with the issuance of the COPS, Purchaser will obtain a credit rating for the issuance of the COPs by no later than January 31, 2027. Purchaser shall use best efforts to obtain a credit rating from a nationally recognized rating organization of not less than BBB. In the event that Purchaser receives a credit rating of less than BBB from a nationally recognized rating organization for the issuance of the COPs, then Purchaser, by notice to Seller no later than five (5) Business Days following receipt of its credit rating, may elect to terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with

Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination.

ARTICLE V
TITLE TO THE PROPERTY

5.1 Title Commitments and Surveys. Purchaser, at its sole cost and expense, will expeditiously obtain a commitment for an owner's title insurance policy (or policies, as the case may be) for the Property from the Title Company (collectively, the "Title Commitment"). Seller shall provide Purchaser with copies of all title reports, title commitments, title policies, and surveys related to the Property to the extent in the possession of Seller.

5.2 Exceptions to Title. Except as provided in this Agreement or otherwise accepted by Purchaser in writing, the sale of the Property to Purchaser hereunder shall be subject to the Permitted Exceptions defined below but otherwise free and clear of any Liens, claims, encumbrances, and interests and shall transfer all interests of all Association Members in the Property to Purchaser.

5.3 Permitted Exceptions and Unpermitted Exceptions. Within five (5) Business Days of its receipt of the Title Commitment (and each update thereto), Purchaser shall give written notice to Seller (the "Exception Notice") of all of Purchaser's exceptions to title which Purchaser is unwilling to take title subject to (the "Unpermitted Exceptions"). Any exception to title not raised as an Unpermitted Exception shall be deemed permitted (the "Permitted Exception(s)"). The Property's subjection to the Master Declaration shall be a Permitted Exception. Other than Permitted Exceptions, Seller shall notify Purchaser within seven (7) Business Days after receipt of an Exception Notice whether it will cure the Unpermitted Exceptions listed therein. If Seller fails to timely notify Purchaser that Seller will cure all Unpermitted Exceptions, Seller shall be deemed to have elected not to cure all Unpermitted Exceptions. If Seller notifies Purchaser that Seller will not cure all Unpermitted Exceptions (or is deemed to have elected not to cure all Unpermitted Exceptions per the previous sentence), then, within five (5) Business Days thereafter, Purchaser shall, by notice to Seller either (i) elect to terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination, or (ii) accept any Unpermitted Exceptions that Seller will not cure as Permitted Exceptions, which acceptance (absent agreement of the Parties to the contrary) shall be without any reduction to the Purchase Price. Purchaser shall cause copies of all updates and/or continuations of the Title Commitments to concurrently be delivered to Seller's attorneys. Purchaser acknowledges and agrees that Purchaser shall be obligated to take title to the Property and complete the Closing subject to all Permitted Exceptions.

5.4 Failure to Cure. If Seller elects to cure any Unpermitted Exceptions, Seller shall have until the Closing Date (as the same may be adjourned, extended, or postponed by Seller or Purchaser pursuant to the terms hereof) to cure any such Unpermitted Exceptions. Cure may be provided by a title endorsement in form and content reasonably satisfactory to Purchaser. In the event that Seller shall be unable to deliver title as required under this Article V, including without limitation, the curing of any Unpermitted Exceptions, Purchaser's sole and exclusive right shall be either to (i) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2 and the Parties shall have no further recourse, rights or obligations under this Agreement, except those which expressly survive such termination, or (ii) proceed to Closing pursuant to this Agreement and accept title to the Property subject to the Unpermitted Exceptions, which thereafter shall be deemed to constitute Permitted Exceptions and (absent agreement of the Parties to the contrary) shall be without any reduction to the Purchase Price. Notwithstanding anything to the contrary set forth in this Agreement, Seller shall have the right extend the Closing Date for a period of up to sixty (60) days in order to effect the cure of any Unpermitted Exceptions.

5.5 Conveyance of the Property. At Closing, Seller shall convey insurable fee simple title (as determined by the Title Company) to the Property, subject to all Permitted Exceptions and otherwise in accordance with the terms of the Plan, the Sale Order and/or other applicable Order.

5.6 Section 363 and 365 Transaction. Purchaser's acquisition of the Property shall be free and clear of all rights, Liens, claims, interests and encumbrances of any kind, including without limitation those which have been or which could be asserted by any Association Member, pursuant to Section 363 of the Bankruptcy Code, including without limitation Bankruptcy Code Sections 363(b), (f), (h) and (m). The sale shall include all interests held by co-owners of the Property pursuant to Section 363(h) of the Bankruptcy Code, including any Association Member. Purchased Contracts shall be assumed and assigned pursuant to Section 365 of the Bankruptcy Code. Seller shall be responsible for timely giving all notices to any person or entity as required under the Bankruptcy Code and other Applicable Law, and such timely and effective notice shall be a condition to closing. Without limiting the generality of the foregoing, actual notice shall be given to any known creditors, other persons asserting any rights, Liens, claims, and interests in the Property (including Association Members) and counterparties to any Purchased Contract.

ARTICLE VI
CONDITION OF THE PROPERTY

6.1 Remediation Activities and Permits.

6.1.1. Current Regulatory Status of Property. A summary of the regulatory history and environmental condition of the Property is set forth in the informational documents listed in **Exhibit D**, which Purchaser acknowledges receiving from Seller or its consultants prior to the execution of this Agreement.

6.1.2. Remediation Activities. Purchaser shall be solely responsible at its sole cost and expense for completing any required remediation of environmental conditions at the Property which may exist as of the Closing Date and which may arise thereafter ("Remediation Activities").

6.2 Release and Indemnity. By accepting Seller's deeds at Closing, Purchaser irrevocably waives and releases, on behalf of Purchaser, Purchaser's agents, Purchaser's affiliates, agents, and all successors in title to the Property, any claims against Seller (and against Seller's members, managers, officers, representatives) as owner, operator or otherwise, arising out of or in connection with any conditions, including environmental and subsurface conditions, whether known or unknown, latent or apparent, and whether such claims are based on or sound in contract, tort, statute, common law liability, contribution, indemnity, strict liability or any other theory or cause of action. Further, Purchaser shall indemnify, defend and hold Seller harmless in respect of any and all claims, proceedings, losses, damages, liabilities and expenses, whether or not due and payable, asserted against, incurred or suffered by Seller due to any environmental condition alleged to have arisen after Closing or from the exacerbation after Closing of a condition of the Property that existed prior to Closing, up to the limits of Purchaser's applicable insurance, but only to the extent of insurance proceeds recovered by Purchaser. For the avoidance of misunderstanding, Seller understands that Purchaser is prohibited by Applicable Law from providing indemnification, defense, or hold harmless that requires the expenditure of funds by Purchaser and this Section 6.2 shall never be construed or interpreted to require the expenditure of funds by Purchaser.

6.3 <u>'AS-IS', 'WHERE IS' Condition</u>. Purchaser acknowledges and agrees that (a) the purchase of the Property shall be on an "As Is", "Where Is", "With All Faults" basis, subject to wear and tear from the Effective Date until Closing Date, and (b) except as expressly set forth in this Agreement, Seller has no obligation to repair any damage to or defect in the Property, replace any of the Property or otherwise remedy any matter affecting the condition of the Property. Upon Closing, Purchaser shall assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Purchaser's investigations, and Purchaser, upon Closing, except as otherwise expressly set forth in this Agreement, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any Applicable Laws (including, without limitation, any environmental laws) and any and all other acts, omissions, events, circumstances or matters regarding the Property. Seller agrees to maintain the Property in substantially the same condition as it is in as of the Effective Date of this Agreement to the Closing. Without limiting the generality of the immediately preceding sentence, Seller shall perform the tasks set forth on **<u>Exhibit E</u>** until the Closing; the performance of such tasks is a material obligation of Seller under this Agreement without which Purchaser would be unwilling to enter into this Agreement.

6.4 <u>Inspection by Purchaser</u>. Upon reasonable notice to Seller, Purchaser shall have the right from time to time to inspect the Property. Seller shall have the right, but no obligation, to have a representative accompany Purchaser during an inspection, but Seller shall not unduly delay inspections by Purchaser in order to provide a Seller representative.

6.5 <u>OIL, GAS, WATER AND MINERAL DISCLOSURE</u>

6.5.1. <u>OIL, GAS, WATER AND MINERAL DISCLOSURE</u>. 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.

6.5.2. 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.

6.5.3. 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.

6.5.4. ADDITIONAL INFORMATION. PURCHASER 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.

6.6 No Reliance on Seller. Purchaser is entering into this Agreement on the basis of Purchaser's own independent evaluation and investigation, and Purchaser does not rely on any statement or representation by Seller or any of Seller's representatives. Notwithstanding anything to the contrary, Seller is not making, and specifically disclaims, any representations, warranties or covenants of any kind or character, express or implied, with respect to the operational, environmental or physical condition of the Property, including, but not limited to, representations, warranties or covenants as to: (a) matters of title, zoning, permitted uses, tax consequences, physical or environmental conditions (including but not limited to Purchaser's phase one environmental assessment), availability of access, ingress or egress, operating projections, valuations, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the operational, environmental or physical condition of the Property; (b) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Property; (c) the Property's compliance or non-compliance with Environmental Laws applicable to the Property or the presence or absence of hazardous or toxic materials, wastes or substances on, at or under the Property or migrating to or from the Property; or (d) the manner, quality, state of repair or lack of repair of the Property.

6.7 Survival. The provisions of this Article VI shall survive Closing.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

7.1 Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Purchaser, which shall be deemed restated by Seller at Closing; Seller

acknowledges and agrees that Purchaser is entitled to rely upon the following representations and warranties:

7.1.1. Organization and Authority. Subject to entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments, (i) Seller has full power and authority to execute and deliver (or ensure the execution and delivery of) this Agreement and all other documents to be executed and delivered by or on behalf of the Seller Parties pursuant to this Agreement (collectively, the "Seller Documents"), and to perform the obligations of the Seller Parties under each of the Seller Documents, (ii) the execution and delivery of each of the Seller Documents on behalf of the Seller Parties, and the performance by each of the Seller Parties of its obligations under each of the Seller Documents, has been (or as of Closing will be) duly and validly authorized by all necessary action, and (iii) each of the Seller Documents, when executed and delivered, will constitute the legal, valid and binding obligations of the Seller Parties enforceable against the Seller Parties in accordance with their terms, except to the extent Purchaser is in default thereunder.

7.1.2. No Conflicting Agreements. The execution and delivery by Seller of, and the performance of and compliance by Seller with, the terms and provisions of this Agreement, do not (a) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, Seller's by-laws, or any other agreement or instrument to which Seller is a Party or by which all or any part of the Property is bound, (b) violate any restriction, requirement, covenant or condition to which all or any part of the Property is bound, (c) constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance or rule applicable to Seller or the Property, (d) constitute a violation of any judgment, decree or order applicable to Seller or specifically applicable to the Property, or (e) following entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments, require the consent, waiver or approval of any third party.

7.1.3. Title. To the best of Seller's knowledge, there are no unrecorded or undisclosed documents or other matters which affect title to the Property. Subject to entry of the Stalking Horse Order, the Sale Order, the Executory Contracts Order, and the Section 363(h) Proceeding Judgments, Seller has the full power and authority to transfer good, valid and insurable title to the Property, free and clear of any Liens, claims, encumbrances, and interests, but subject to Permitted Exceptions.

7.1.4. FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445(f) of the Code.

7.1.5. Condemnation Proceedings/Property Damage. There are no presently pending or, to the best of Seller's knowledge, contemplated proceedings to condemn the Property or any part of it.

7.1.6. Option to Purchase. Seller has not granted (and, to the best of Seller's knowledge, no other Association Member has granted) any option or other right to purchase or otherwise acquire any portion of the Property, or any interest therein, to any

party except Purchaser pursuant to this Agreement and there are no existing and outstanding agreements affecting or relating to the Property, including, but not limited to, agreements for the sale of the Property (or any portion thereof), option agreements, leases, licenses, or powers of attorney, to which the Seller is a party or by which the Seller or the Property is bound.

7.1.7. Environmental Matters.

(a) Seller has delivered to Purchaser copies of all material, non-privileged reports, assessments, audits, studies, analyses, and tests initiated by or on behalf of or in the possession of Seller pertaining to the environmental condition of, or any Hazardous Substance in, on, or under, the Property or concerning compliance by Seller with Environmental Laws.

(b) This Section 7.1.7 contains the sole and exclusive representations and warranties of Seller with respect to matters arising under Environmental Laws or any other environmental matters.

7.1.8. Anti-Terrorism. None of Seller's property or interests is subject to being "blocked" under any Anti-Terrorism Laws and neither Seller nor any Person holding any direct or indirect interest in Seller is in violation of any Anti-Terrorism Laws. Neither Seller nor any of their Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become: (a) a person or entity, or owned or controlled by a person or entity, with whom U.S. persons or entities are restricted from doing business, or with whom U.S. persons or entities may transact business only subject to the imposition of significant fines and penalties, under regulations of the Office of Foreign Asset Control ("OFAC") of the U.S. Department of Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action; (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the USA Patriot Act of 2001, Pub. L. No. 107-56, Executive Order 13224 (September 23, 2001), or any executive orders of the President issued pursuant to such statutes; or (c) controlled by the government of any country or person that is subject to an embargo by the U.S. government, including without limitation OFAC, that prohibits Purchaser from conducting the business activities contemplated by this Agreement with Seller. Seller (a) is in compliance with, (b) is not under investigation by any governmental authority; (c) has not been charged with, convicted of, or assessed civil or criminal penalties; and (d) has not had any of its funds seized or forfeited in any action, for violation of any applicable anti-money laundering laws, including without limitation, the USA Patriot Act, the Bank Secrecy Act, 31 U.S.C. §5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. §1 et seq., Executive Order 13224 (September 23, 2001), the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., and the sanction regulations promulgated pursuant thereto by OFAC, and laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956-57.

7.1.9. Furniture, Fixtures and Appliances. All furniture, fixtures, and appliances located at the Property are fully paid for, and there are no Liens, claims, or unpaid bills against any of them arising from their purchase, installation, or servicing.

7.1.10. Litigation. Seller has not received written notice of and to the best of Seller's knowledge there are no actions, investigations, suits, or proceedings pending or threatened that affect the Property, the ownership or operation thereof, or the ability of Seller to perform its obligations under this Agreement, and (b) there are no judgments, orders, awards, or decrees currently in effect against Seller with respect to the ownership or operation of the Property that have not been fully discharged prior to the Effective Date, other than orders entered by the Bankruptcy Court.

7.1.11. Property Materials. To the best of Seller's knowledge, there are no defects, deficiencies, or inaccuracies in any of the materials posted in the document room that Seller made available to Purchaser, and all such materials are true, accurate, and complete copies.

7.1.12. Underground Mines. To the best of Seller's knowledge, no portion of the Property is located above all or any portion of an underground mine.

7.1.13. Wetlands. To the best of Seller's knowledge, the Property does not contain any wetlands that are subject to any laws, ordinances, codes, rules and regulations, or permit requirements of any Governmental Authority.

7.1.14. Survival. All of the representations, warranties, and covenants made by Seller in this Section 7.1 survive Closing.

7.2 Purchaser Representations and Warranties. Purchaser hereby makes the following representations and warranties to Seller, upon which Purchaser acknowledges and agrees that Seller is entitled to rely.

7.2.1. Organization and Authorization. Following the Ordinance Adoption, Purchaser has full power and authority to enter into this Agreement. Following the Ordinance Adoption and subject to Section 7.2.5, Purchaser has full power and authority to perform this Agreement and to consummate the transactions contemplated hereby. To the extent applicable, the execution, delivery and performance of this Agreement and all documents contemplated hereby have been duly and validly authorized by all necessary action on the part of Purchaser and all required consents and approvals have been duly obtained and will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, agreement or instrument to which Purchaser is a Party or otherwise bound.

7.2.2. Authority and Binding Obligation (i) Following the Ordinance Adoption, Purchaser has full power and authority to execute and deliver this Agreement, (ii) following the Ordinance Adoption and subject to Section 7.2.5, Purchaser has full power and authority to execute and deliver all other documents to be executed and delivered by Purchaser pursuant to this Agreement (the "Purchaser Documents"), and to perform all obligations of Purchaser arising under each of the Purchaser Documents, (iii) the

execution and delivery by the signer on behalf of Purchaser of each of the Purchaser Documents, and the performance by Purchaser of its obligations under each of the Purchaser Documents, has been duly and validly authorized by all necessary action by Purchaser, and (iii) each of the Purchaser Documents, when executed and delivered, will constitute the legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with its terms, except to the extent Seller is in default thereunder.

7.2.3. No Conflicting Agreements. The execution, delivery and performance of this Agreement and all documents contemplated hereby by Purchaser have been duly and validly authorized by all necessary action on the part of Purchaser and all required consents and approvals have been duly obtained and will not result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, agreement or instrument to which Purchaser is a Party or otherwise bound.

7.2.4. Related Debtor Bids. Purchaser intends to submit the Related Debtor Bids to purchase certain property of the Related Debtors, but this Agreement is not contingent upon the selection of the Related Debtor Bids as the Successful Bidders for the property of the Related Debtors.

7.2.5. Sufficient Funds. Purchaser represents that, upon the issuance of the COPs, it will have sufficient funds and/or assets to pay the full amount of the Purchase Price and consummate the Closing.

7.2.6. No Violation of Anti-Terrorism Laws. None of Purchaser's property or interests is subject to being "blocked" under any Anti-Terrorism Laws, and neither Purchaser nor any Person holding any direct or indirect interest in Purchaser is in violation of any Anti-Terrorism Laws. Neither Purchaser nor any of its Affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents (collectively, a "Purchaser Party") is, nor will they become: (a) a person or entity, or owned or controlled by a person or entity, with whom U.S. persons or entities are restricted from doing business, or with whom U.S. persons or entities may transact business only subject to the imposition of significant fines and penalties, under regulations of the OFAC of the U.S. Department of Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action; (b) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the USA Patriot Act of 2001, Pub. L. No. 107-56, Executive Order 13224 (September 23, 2001), or any executive orders of the President issued pursuant to such statutes; or (c) controlled by the government of any country or person that is subject to an embargo by the U.S. government, including without limitation OFAC, that prohibits Seller from conducting the business activities contemplated by this Agreement with Purchaser.

7.2.7. Patriot Act. Purchaser, including its Purchaser Parties, (a) is in compliance with, (b) is not under investigation by any governmental authority; (c) has not been charged with, convicted of, or assessed civil or criminal penalties; and (d) has not had any of its funds seized or forfeited in any action, for violation of any applicable anti-money

laundering laws, including without limitation, the USA Patriot Act, the Bank Secrecy Act, 31 U.S.C. § 5311 et seq., the Trading with the Enemy Act, 50 U.S.C. App. § 1 et seq., Executive Order 13224 (September 23, 2001), the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., and the sanction regulations promulgated pursuant thereto by OFAC, and laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956-57.

7.2.8. Compliance. Purchaser represents and warrants that Purchaser is not a "covered foreign person" within the meaning of 31 CFR Part 802.

7.2.9. Survival. All of the representations, warranties, and covenants made by Purchaser in this Section 7.2 survive Closing.

ARTICLE VIII
COVENANTS

8.1 Conduct of the Business.

8.1.1. Operation in Ordinary Course of Business. From the Effective Date until the Closing or earlier termination of this Agreement, Seller will (i) operate the Property in the ordinary course, including maintaining current insurance coverages; (ii) pay when due assessments and other sums payable to the Master Association, taxes, and costs of operating the Property, including, without limitation charges for utilities; (iii) maintain the Property in substantially the same condition as it is in as of the Effective Date of this Agreement, including, without limitation, performance of the tasks set forth on **Exhibit E**; and (iv) comply with all Applicable Laws, including without limitation, Applicable Laws concerning public safety and health. The provisions of this subsection shall be incorporated into the Sale Order and the Plan.

8.1.2. Contracts. From the Effective Date until the Closing or earlier termination of this Agreement, Seller shall not, without Purchaser's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) or Bankruptcy Court Order, (i) amend, extend, renew or terminate any Leases, Executory Contracts or licenses and permits regarding the Property, except in the ordinary course of business and with prior written notice to Purchaser, or (ii) enter into any new Leases or Executory Contracts regarding the Property.

8.1.3. Prohibited Activities. Prior to Closing, Seller not: (i) take or acquiesce in any action to affect title to the Property other than to cure Unpermitted Exceptions; (ii) execute or enter into any mortgages, deeds of trust, or otherwise encumber the Property in any manner or take any action that would affect the marketability of title to the Property, except where such mortgages, deeds of trust, or encumbrances shall be released at Closing; (iii) alter or contract for the alteration of any existing improvements or construct or install or contract for the construction or installation of any new improvements; without, in each instance, obtaining the prior written consent of Purchaser, (iv) engage in or permit any grading, excavation or other earth-moving activities, without, in each instance,

obtaining the prior written consent of Purchaser; (v) take or acquiesce in any act which would cause Seller to breach any representation or warranty made in this Agreement, (vi) take or acquiesce in any act which would prevent Seller from consummating the transaction contemplated herein at Closing, (vii) form or annex all or any portion of the Property into, or de-annex or exclude all or any portion of the Property from, any special district; and (viii) subject all or any portion of the Property to any new covenants, conditions and restrictions or include all or any portion of the Property in a new common interest community or otherwise subject all or any portion of the Property to any new owner's association or similar organization.

8.2 Tax Contests.

8.2.1. Taxable Period Terminating Prior to Closing Date. Seller shall retain the right to commence, continue and settle any proceeding to contest any Taxes for any taxable period which terminates prior to the Closing, and shall be entitled to any refunds or abatements of Taxes awarded in such proceedings. Seller represents that it has not initiated any tax contest for a taxable period which includes the Closing Date and any periods thereafter.

8.3 Further Assurances. From the Effective Date until the Closing or earlier termination of this Agreement, Seller and Purchaser shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate the transaction described in this Agreement, including, without limitation, (i) obtaining all necessary consents, approvals and authorizations required to be obtained from any Governmental Authority or other Person under this Agreement or Applicable Law, including the Ordinance Adoption and (ii) effecting all registrations and filings required under this Agreement or Applicable Law. After the Closing, Seller and Purchaser shall use commercially reasonable efforts (at no cost or expense to such Party, other than any de minimis cost or expense or any cost or expense which the requesting Party agrees in writing to reimburse) to further effect the transaction contemplated in this Agreement.

8.4 Back-Up Bidder. In the event Purchaser is not selected as the Successful Bidder for the Property following the Auction, Purchaser may be designated as the Back-Up Bidder for the Property in accordance with the Sale Procedures; provided, however, that Purchaser's designation as a Back-Up Bidder shall terminate upon a termination of this Agreement.

8.5 Bankruptcy Court Filings.

8.5.1. Seller shall provide Purchaser with drafts of the Stalking Horse Motion, the Stalking Horse Order, the Sale Motion, the Sale Order, the Assumption/Rejection Motion, the Executory Contract Order, the complaint(s) commencing the Section 363(h) Proceedings and all other pleadings and proposed orders to be filed or submitted in connection with this Agreement and the transactions contemplated hereby at least two (2) Business Days in advance of the proposed filing so as to permit Purchaser sufficient time to review and comment on such drafts, and such pleadings and proposed orders shall be in form and substance reasonably acceptable to Purchaser. Seller shall give Purchaser reasonable advance notice of any hearings regarding the motions or other pleadings

required to obtain entry of the Stalking Horse Order, the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments.

8.5.2. Seller shall file the Stalking Horse Motion within three (3) Business Days after the later of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder.

8.5.3. Seller shall commence the Section 363(h) Proceedings within five (5) Business Days after the later of (a) Purchaser's execution of this Agreement, and (b) Seller's designation of Purchaser as the Stalking Horse Bidder and shall promptly thereafter complete service on all defendants to the Section 363(h) Proceedings.

8.5.4. In the event that Purchaser is selected as the Successful Bidder or the Back-Up Bidder after the conclusion of the Auction, Seller shall file the Sale Motion and the Assumption/Rejection Motion within three (3) Business Days after the conclusion of the Auction. In the event that no Qualified Bids (as defined in the Sale Procedures Order) are received by Seller prior to the Bid Deadline (as defined in the Sale Procedures Order) and the Auction is not conducted, Seller shall file the Sale Motion and the Assumption/Rejection Motion within three (3) Business Days after the Bid Deadline.

8.5.5. In the event that, following entry, any of the Sale Procedures Order, the Stalking Horse Order, the Sale Order, or the Section 363(h) Proceeding Judgments is appealed or a stay pending appeal is sought, Seller shall take all actions as may be commercially reasonable or appropriate to defend against or oppose such appeal or the stay pending appeal and seek the dismissal of any appeal (including a petition for certiorari, motion for rehearing, reargument, reconsideration or revocation). Notwithstanding the foregoing, any resulting changes to this Agreement shall be subject to Purchaser's approval.

8.6 Seller's Post-Closing Actions. Seller shall not propose, file, support, pursue, seek entry of, or aid in another party proposing, filing, supporting, pursuing or seeking entry of, an order confirming a chapter 11 plan that materially and adversely impacts Purchaser's rights hereunder without Purchaser's prior written consent. For the avoidance of doubt, notwithstanding any other provision of this Agreement, this Section 8.6 shall survive the Closing.

ARTICLE IX
CLOSING CONDITIONS

9.1 Mutual Closing Condition; Termination by Mutual Consent.

9.1.1. Satisfaction of Mutual Closing Condition. The respective obligations of Seller and Purchaser to close the transaction contemplated in this Agreement are subject to the satisfaction of the following conditions precedent (the "Mutual Closing Condition"): (1) the Bankruptcy Court shall have entered the Sale Order by September 1, 2026; (2) the Bankruptcy Court shall have entered the Section 363(h) Proceeding Judgments by March 31, 2027; (3) the Bankruptcy Court shall have entered the Stalking Horse Order prior to the Bid Deadline (as defined in the Sale Procedures); (4) the Bankruptcy Court shall have entered the Executory Contract Order by September 1, 2026;

(5) the Plan and the Confirmation Order (if entered) shall be consistent in all material respects with this Agreement, and (6) there shall be no applicable stay ordered by the Bankruptcy Court which is in effect with respect to the closing of the transaction contemplated in this Agreement. Seller and Purchaser shall act in good faith regarding the satisfaction of these mutual closing conditions, and neither shall do or omit to do anything that would frustrate, impede, or otherwise interfere with the satisfaction of these mutual closing conditions. For the avoidance of doubt, each of the orders and judgments referenced in this Section 9.1.1. shall mean a Final Order of the Bankruptcy Court.

9.1.2. Failure of Mutual Closing Condition. If the Mutual Closing Condition is not satisfied by (a) with respect to Section 9.1.1(1), (2), (3), and (4), the applicable date specified (or such later date agreed to in writing by the Purchaser), and (b) with respect to Section 9.1.1(5) and (6), the Closing Date, then each Party shall have the right to terminate this Agreement by providing written notice to the other Party, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except for those which expressly survive such termination.

9.1.3. Mutual Termination. This Agreement may be terminated at any time prior to the Closing Date by the mutual written consent of Seller and Purchaser, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except for those which expressly survive such termination.

9.2 Purchaser Closing Conditions.

9.2.1. Satisfaction of Purchaser Closing Conditions. In addition to the Mutual Closing Condition, Purchaser's obligations to close the transactions described in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "Purchaser Closing Conditions"):

(a) Seller's Deliveries. All of the Seller Closing Deliveries (as hereinafter defined) shall have been delivered to Purchaser or deposited with Title Company to be held by Title Company in escrow and to be delivered to Purchaser upon the consummation of the Closing.

(b) Representations and Warranties. The representations or warranties of Seller in this Agreement shall be true and correct in all material respects as of the Closing (or as of such other date to which such representation or warranty expressly is made).

(c) Covenants and Obligations. The material covenants and material obligations of Seller in this Agreement shall have been performed in all material respects.

(d) No Change in Physical Condition. The physical condition of the Property shall be substantially the same on the Closing Date as on the Effective Date (except for any damage due to any act of Purchaser or Purchaser's representatives).

(e) Rating for COPs. Purchaser has obtained a credit rating for the issuance of the COPs by no later than January 31, 2027, which credit rating shall not be less than BBB.

(f) Title Insurance. The Title Company shall be unconditionally prepared and committed to issue to Purchaser (with an effective date of the Closing Date), an Owner's Policy of Title Insurance in conformance with the Commitment, in favor of Purchaser for the portions of the Property that constitute real property (a) showing fee title to such real property vested in Purchaser, (b) with liability coverage in an amount equal to the Purchase Price, (c) with those endorsements reasonably requested by Purchaser (provided that such endorsements are available in the State of Colorado and are paid for by Purchaser), and (d) containing no exceptions other than the Permitted Exceptions (the "Title Policy").

(g) Closing. The Closing shall have occurred no later than the deadline specified in Section 10.1 hereof and Seller shall have delivered possession of the Property to Purchaser upon completion of the Closing.

9.2.2. Failure of Purchaser Closing Condition. If any of the Purchaser Closing Conditions, other than the condition set forth in Section 9.2.1(e), are not satisfied on the Closing Date (as the same may be extended, adjourned, or postponed by Seller or Purchaser to the extent they have the express right to do so under this Agreement), or if the condition set forth in Section 9.2.1(e) is not satisfied by January 31, 2027, or if the Closing Condition Date shall not have occurred by March 31, 2027, then Purchaser shall have the right (i) to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (ii) to waive any of the Purchaser Closing Conditions at or prior to Closing, without offset or deduction from the Purchase Price; provided, however, that any such waiver shall be made in writing by Purchaser. Nothing contained herein shall be deemed or construed to limit Purchaser's rights under Section 12.1 hereof.

9.3 Seller Closing Conditions.

9.3.1. Satisfaction of Seller Closing Conditions. In addition to the Mutual Closing Condition, Seller's obligations to close the transactions contemplated in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "Seller Closing Conditions"):

(a) Receipt of the Purchase Price. Purchaser shall have (A) deposited with Escrow Agent with written direction to disburse the same in accordance with the provisions of the Sale Order and/or other applicable Order, the Purchase Price (as adjusted pursuant to Section 3.1 hereof), and (B) delivered written direction to Escrow Agent to disburse the Earnest Money in accordance with the provisions of the Earnest Money Escrow Agreement and/or other applicable Order.

(b) Purchaser's Deliveries. All of the Purchaser Closing Deliveries (as hereinafter defined) shall have been delivered to Seller or deposited with Title Company to be held by Title Company in escrow and to be delivered to Seller at Closing.

(c) Representations and Warranties. The representations and warranties of Purchaser in this Agreement shall be true and correct in all material respects as of the Closing (or as of such other date to which such representation or warranty expressly is made).

(d) Covenants and Obligations. The covenants and obligations of Purchaser in this Agreement shall have been performed in all material respects.

9.3.2. Failure of Seller Closing Condition. If any of the Seller Closing Conditions is not satisfied on the Closing Date, then Seller shall have the right to (i) terminate this Agreement by providing written notice to Purchaser, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3.2.2 hereof, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (ii) waive any of the Seller Closing Conditions at or prior to Closing; provided, however, that any such waiver shall be made in writing executed by Seller. Nothing contained herein shall be deemed or construed to limit Seller's rights under Section 12.2 and/or 12.4 hereof.

9.4 Bankruptcy Conditions. Notwithstanding anything to the contrary in this Agreement, upon the occurrence of any of the following, Purchaser shall have the right to terminate this Agreement by providing written notice to Seller, in which case the Earnest Money Deposit shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination (provided that nothing contained herein shall be deemed or construed to limit Purchaser's rights under Section 12.1 hereof):

(a) The Sale Procedures are modified in a manner that materially affects Purchaser without Purchaser's consent.

(b) The Bankruptcy Court denies entry of the Stalking Horse Order;

(c) Purchaser is not selected as Successful Bidder or Back-Up Bidder after the conclusion of the Auction.

(d) The Bankruptcy Court denies entry of the Sale Order;

(e) If Purchaser is selected as Back-Up Bidder, the Back-Up Termination Date (as defined in the Sale Procedures Order) occurs.

(f) Following entry, any of the Sale Procedures Order, the Stalking Horse Order, the Sale Order, the Executory Contract Order, or the Section 363(h) Proceeding Judgments is altered, amended, modified, or supplemented in a manner that is not reasonably acceptable to Purchaser or is vacated, stayed, revoked, voided or set aside.

(g) The Section 363(h) Proceeding Judgments are not entered by March 31, 2027 (as the same may be extended, adjourned, or postponed with the written consent of Purchaser).

(h) The Bankruptcy Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code, or a Chapter 11 trustee is appointed in the Bankruptcy Case.

ARTICLE X
CLOSING

10.1 Closing Date. Closing of the transaction described in this Agreement (the "Closing") shall occur no later than sixty (60) days after the latest of: (a) the entry of the Sale Order, (b) the entry of the Executory Contract Order, (c) the entry of the Section 363(h) Proceeding Judgments, (d) if Purchaser is selected as the Back-Up Bidder and subsequently deemed to be the Successful Bidder, the date that Purchaser is notified that it is deemed to be the Successful Bidder, or (e) such other date as agreed to in writing between Seller and Purchaser, time being of the essence; provided, however, that if Purchaser is selected as the equivalent of the Successful Bidder or the Back-Up Bidder in connection with any Related Debtor Sale, then the Closing shall occur not later than sixty (60) days after the latest of: (v) the entry of the Sale Order and the equivalent of the Sale Order in each such Related Debtor Sale, (w) the entry of the Executory Contract Order and the equivalent of the Executory Contract Order in each such Related Debtor Sale, (x) the entry of the Section 363(h) Proceeding Judgments and the equivalent of the Section 363(h) Proceeding Judgments in each such Related Debtor Sale, (y) if Purchaser is selected as the equivalent of the Back-Up Bidder in one or more Related Debtor Sales and subsequently deemed to be the equivalent of the Successful Bidder in such Related Debtor Sale(s), the date that Purchaser is notified that is deemed to be the equivalent of the Successful Bidder in such Related Debtor Sale(s), or (z) such other date as agreed to in writing between Seller and Purchaser. The latest to occur of (a) – (e) above or, if Purchaser is selected as the equivalent of the Successful Bidder or the Back-Up Bidder in connection with any Related Debtor Sale, the latest to occur of (v) – (z) above is referred to herein as the "Closing Condition Date." The date on which the Closing occurs is referred to herein as the "Closing Date."

10.2 Closing Deliveries.

10.2.1. Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Purchaser or deposited with Title Company in the Title Company's escrow account for Closing to be delivered to Purchaser at Closing, all of the (i) documents set forth in this Section 10.2.1, each of which shall have been duly executed by Seller and acknowledged (if required) and (ii) other items set forth in this Section 10.2.1 (the "Seller Closing Deliveries"), as follows:

(a) Deeds, bills of sale, and assignments conveying the Property to Purchaser, subject to the Permitted Exceptions, to the extent applicable, respectively, to the Property, each in a form reasonably acceptable to Purchaser and the Title Company (collectively, the "Deeds");

(b) Such documents and instruments in recordable form, executed and properly acknowledged by Seller, as the Title Company may require, to terminate the condominium regime and timeshare regime applicable to the Property (the "Condominium Termination").

(c) Such other documents and instruments, executed and properly acknowledged by Seller, if applicable, as the Title Company may require from Seller in order to

issue the Title Policy, including but not limited to affidavits of title and corporate resolutions, each in a form reasonably acceptable to the Title Company;

(d) A FIRPTA affidavit in the form set forth in the regulations under Section 1445 of the Code;

(e) A Colorado Form DR-1083 and such other Colorado-specific forms as the Title Company may require.

(f) A resolution of Seller, signed by Seller's authorized representative, authorizing the execution of this Agreement and the consummation of the transactions contemplated hereby;

(g) Certified copies of the Sale Order, the Executory Contract Order, and the Section 363(h) Proceeding Judgments;

(h) The Closing Statement; and

(i) Such other documents and instruments as may be reasonably requested by Purchaser in order to consummate the transaction described in this Agreement.

10.2.2. Purchaser's Deliveries. At or prior to the Closing, Purchaser shall direct Escrow Agent to deliver the Earnest Money to Title Company to be deposited in the Title Company's escrow account for Closing. At the Closing, Purchaser shall deliver or cause to be delivered to Seller or deposited with Title Company in the Title Company's escrow account for Closing to be delivered to Seller all of the (i) documents set forth in this Section 10.2.2, each of which shall have been duly executed by Purchaser and acknowledged (if required), and (ii) other items set forth in this Section 10.2.2 (the "Purchaser Closing Deliveries"), as follows:

(a) The Purchase Price (as adjusted pursuant to this Agreement) to be paid by Purchaser;

(b) A letter of direction to Title Company authorizing and directing Title Company to disburse the Earnest Money to Seller or to such party or parties as Seller shall designate;

(c) A counterpart of each of the documents and instruments to be delivered by Seller under Section 10.2 hereof which require execution by Purchaser;

(d) Such other documents and instruments as may be reasonably requested by Seller or the Title Company in order to consummate the transaction described in this Agreement;

(e) The Cure Amounts required under the Executory Contract Order; and

(f) A Colorado Form TD-1000 and such other Colorado-specific forms as the Title Company may require

10.3 Possession. Seller shall deliver possession of the Property to Purchaser upon completion of the Closing, subject to the rights of counterparties under the Purchased Contracts.

ARTICLE XI
PRORATIONS AND EXPENSES

11.1 Items to Be Prorated. The following shall be prorated between Seller and Purchaser as of the Closing Date with Purchaser being deemed the owner of the Property as of the Closing Date and with Purchaser receiving credit for or charged with the entire day of the Closing: Taxes, but only if the Property will not be exempt from Taxes after Closing,, water, sewer, Master Association fees, if applicable, (the "Prorations"). Except as hereinafter expressly provided, all prorations shall be done on the basis of the actual number of days in the year in which Closing occurs for the actual number of days elapsed to the Closing Date or the actual number of days in the month in which the Closing occurs and the actual number of days elapsed in such month to the Closing Date, as applicable. Any assessment for improvements completed prior to closing shall be Seller's responsibility. Notwithstanding anything else set forth herein, in the event any unpaid utilities could become Liens, then Seller shall obtain a final reading within three days prior to the Closing, failing which Seller shall escrow a reasonable amount with the title company.

11.2 Taxes. Upon Closing, Seller shall pay the treasurer of Archuleta County property taxes levied on the Property for the current taxable year. The amount of such property taxes shall be as determined by the treasurer of Archuleta County Because Purchaser is a Governmental Authority, it is expected that the Property will become exempt from the levy and collection of property tax at the Closing, pursuant to C.R.S. Section 39-3-131.

11.3 Closing Costs. Closing costs will be allocated between Seller and Purchaser and paid at Closing as follows:

COST	RESPONSIBLE PARTY
Costs of Seller's delivery of the Property information	Seller
Costs of Purchaser's investigation of the Land and Property and feasibility of acquiring the Property	Purchaser
Title Commitment or updates and other Title Company due diligence, title search fees, administrative fees and charges	Purchaser
Premium for ALTA Title Policy	Purchaser
ALTA Title Policy endorsement premiums for any additional endorsements desired by Purchaser	Purchaser
Lis Pendens filing	Purchaser
Any tax, municipal and utility lien searches and certificates	Purchaser

Deed recording fees	Purchaser
Costs of the Survey	Purchaser
Documentary stamp tax on the Deed, if applicable	Seller (to the extent not prohibited by Section 1146(a) of the Bankruptcy Code)
Closing Fee charged by Title Company for conducting the Closing	½ Seller and ½ Purchaser
Brokerage Commissions (subject to Bankruptcy Court approval)	Seller
All other closing costs, expenses, charges and fees, including attorneys' fees	The party incurring same

ARTICLE XII
DEFAULT AND REMEDIES

12.1 Seller Default. If, at the time of Closing, Seller fails to perform its material covenants or material obligations under this Agreement (a "Seller Default") and no Purchaser Default (as defined in Section 12.2) has occurred that has prevented the satisfaction of the conditions to the obligations of Purchaser to close the transactions set forth in Section 9 hereof, then Purchaser, as its sole and exclusive remedy, may elect upon written notice to Seller to provide notice of such Seller Default, and if Seller fails to remedy the Seller Default within fifteen (15) days thereafter, this Agreement shall terminate (a "Seller's Breach Termination Event") and the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination.

12.2 Purchaser's Default. If Purchaser fails to perform any of its material covenants or material obligations under this Agreement (a "Purchaser Default") and no Seller Default has occurred which remains uncured, then Seller, as its sole and exclusive remedy, may elect to (a) terminate this Agreement by providing written notice to Purchaser, in which case the Earnest Money shall be disbursed to Seller in accordance with Section 3 hereof, and the Parties shall have no further recourse, rights, liabilities or obligations under this Agreement, except those which expressly survive such termination, or (b) proceed to Closing pursuant to this Agreement. Seller waives any right to specific performance and to recover damages, including, without limitation, actual damages and consequential, incidental, or punitive damages other than the Earnest Money as liquidated damages.

12.3 Stalking Horse Protections. The parties agree that if Seller closes an Alternative Transaction, then the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2. and, in addition, Seller shall pay in cash to Purchaser (a) a break-up fee in the amount three percent (3%) of the Purchase Price (the "Break-Up Fee"), and (b) an amount equal to the reasonable and documented out-of-pocket costs, fees and expenses incurred by Purchaser

(including fees and expenses of Purchaser's legal, accounting and financial advisors) in connection with the development, negotiation, execution, delivery and approval by the Bankruptcy Court of this Agreement and the transaction contemplated hereby, in an amount not to exceed $30,000 (the "Expense Reimbursement" and, together with the Break-Up Fee, the "Stalking Horse Protections"). Seller shall pay the Break-Up Fee by wire transfer to an account specified by Purchaser within ten (10) Business Days of the closing of an Alternative Transaction. Seller shall pay the Expense Reimbursement by wire transfer to an account specified by Purchaser within ten (10) Business Days after Seller's receipt of documentation reflecting the Expense Reimbursement amount in reasonable detail; provided, however, that if Seller disputes the amount of the Expense Reimbursement within such ten-day period, the Parties will submit the matter to the Bankruptcy Court for resolution and will pay the Expense Reimbursement no later than five (5) Business Days following such resolution. The Stalking Horse Protections are an integral part of this Agreement, without which Purchaser would not have entered into this Agreement. The Stalking Horse Protections shall be in addition to any bid protections granted to Purchaser in connection with any Related Debtor Sale.

12.4 LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE AND AGREE THAT IF THIS AGREEMENT IS TERMINATED PURSUANT TO SECTION 12.2 HEREOF, THE DAMAGES THAT SELLER WOULD SUSTAIN AS A RESULT OF SUCH TERMINATION WOULD BE DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. ACCORDINGLY, THE PARTIES AGREE THAT SELLER SHALL RETAIN THE EARNEST MONEY, FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTEREST, AS A FAIR AND REASONABLE SUM AND AS FAIR MEASURE OF DAMAGES, AS LIQUIDATED DAMAGES (AND NOT AS A PENALTY) AS SELLER'S SOLE AND EXCLUSIVE REMEDY FOR SUCH TERMINATION. NOTWITHSTANDING THE FOREGOING, THE REMEDY OF LIQUIDATED DAMAGES SHALL NOT LIMIT, AND SHALL NOT BE DEEMED TO LIMIT, IN ANY WAY THE RIGHTS AND REMEDIES AVAILABLE TO SELLER WHICH SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE XIII
RISK OF LOSS

13.1 Casualty. If, at any time after the Effective Date and prior to Closing or earlier termination of this Agreement, the Property or any portion thereof is damaged or destroyed by fire or any other casualty (a "Casualty"), Seller shall give written notice of such Casualty to Purchaser promptly after the occurrence of such Casualty.

13.1.1. Material Casualty. If the amount of the repair restoration of the Property required by a Casualty equals or exceeds twenty-five percent (25%) of the Purchase Price, as estimated by Seller's architect (a "Material Casualty") then Purchaser shall have the right to elect, by providing written notice to Seller within ten (10) days after Purchaser's receipt of the estimate from Seller's architect, to (a) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except those which expressly survive such termination, or (b) proceed to Closing, without terminating this Agreement, in which case Seller shall (i) provide Purchaser with a credit against the Purchase Price in an amount equal to the lesser of: (A) the applicable insurance

deductible, and (B) and the reasonable estimated costs for the repair or restoration of the Property required by such Material Casualty, and (ii) transfer and assign to Purchaser all of Seller's right, title and interest in and to all proceeds from all casualty and lost profits insurance policies maintained by Seller with respect to the Property or its business. If the Closing is scheduled to occur within Purchaser's ten (10) day election period, the Closing Date shall be postponed until the date which is five (5) Business Days after the expiration of such ten (10) day election period.

13.1.2. Non-Material Casualty. In the event of any Casualty which is not a Material Casualty, then Purchaser shall not have the right to terminate this Agreement, but shall proceed to Closing, in which case Seller shall (A) provide Purchaser with a credit against the Purchase Price in an amount equal to the lesser of: (1) the applicable insurance deductible under Seller's applicable insurance policy, and (2) the reasonable estimated costs for the repair or restoration required by such Casualty, and (B) transfer and assign to Purchaser all of Seller's right, title and interest in and to all proceeds from all casualty insurance policies maintained by Seller with respect to the Property.

13.2 Condemnation. If, at any time after the Effective Date and prior to Closing or the earlier termination of this Agreement, any Governmental Authority commences any condemnation proceeding or other proceeding in eminent domain with respect to all or any portion of the Property (a "Condemnation"), Seller shall give written notice of such Condemnation to Purchaser promptly after Seller receives notice of such Condemnation.

13.2.1. Material Condemnation. If the Condemnation would (i) result in the permanent loss of more than twenty-five percent (25%) of the fair market value of the Land or Improvements of the Property, (ii) result in any permanent material reduction or restriction in access to the Land or Improvements of the Property, or (iii) have a permanent materially adverse effect on the business of the Property Association as conducted prior to such Condemnation (a "Material Condemnation"), then Purchaser shall have the right to elect, by providing written notice to Seller within ten (10) days after Purchaser's receipt of Seller's written notice of such Material Condemnation, to (A) terminate this Agreement, in which case the Earnest Money shall be refunded to Purchaser in accordance with Section 3.2.2, and the Parties shall have no further rights or obligations under this Agreement, except those which expressly survive such termination, or (B) proceed to Closing, without terminating this Agreement, in which case Seller shall assign to Purchaser all of Seller's right, title and interest in all proceeds and awards from such Material Condemnation. If the Closing is scheduled to occur within Purchaser's ten (10) day election period, the Closing shall be postponed until the date which is five (5) Business Days after the expiration of such ten (10) day election period.

13.2.2. Non-Material Condemnation. In the event of any Condemnation other than a Material Condemnation, Purchaser shall not have the right to terminate this Agreement, but shall proceed to Closing, in which case Seller shall assign to Purchaser all of Seller's right, title and interest in all proceeds and awards from such Condemnation.

ARTICLE XIV
SURVIVAL

14.1 Survival. Except only as expressly set forth in this Section 14.1, all representations, warranties, covenants, liabilities and obligations shall be deemed (i) if the Closing occurs, to merge in the Deeds and not survive the Closing, or (ii) if this Agreement is terminated, not to survive such termination.

14.1.1. Survival of Representations and Warranties. The payment of the Purchase Price by Purchaser and the delivery of the Seller Closing Deliveries by Seller to Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement.

14.1.2. Survival of Covenants and Obligations. If this Agreement is terminated, only those covenants and obligations to be performed by the Parties under this Agreement which expressly survive the termination of this Agreement shall survive such termination. If the Closing occurs, only those covenants and obligations to be performed by the Parties under this Agreement which expressly survive the Closing shall survive the Closing.

14.1.3. Survival of Indemnification. All rights and obligations of defense and indemnification as expressly set forth in this Agreement shall survive the Closing or termination of this Agreement.Notwithstanding anything to the contrary contained herein, Articles II, VI, XII and XIV and Sections 3.2.2, 7.1.7, 7.2, and 11.2 hereof and any other Section that expressly states it shall survive Closing or the termination of this Agreement.

ARTICLE XV
MISCELLANEOUS PROVISIONS

15.1 Notices.

15.1.1. Method of Delivery. All notices, requests, demands and other communications required to be provided by any Party under this Agreement (each, a "Notice") shall be in writing and delivered, at the sending Party's cost and expense, by (i) personal delivery, (ii) certified U.S. mail, with postage prepaid and return receipt requested, (iii) overnight courier service, or (iv) email, with a verification copy sent on the same day by any of the methods set forth in clauses (i), (ii) or (iii),, to the recipient Party at the following address, facsimile number or e-mail address:

If to Seller:

Elk Run Property Owners Association, Inc.
Attn.: Shane Prince
shane.prince@travelandleisure.com

With required copy to:

K&L Gates LLP
One Newark Center, 10th Fl.

1085 Raymond Blvd.
Newark, NJ 07102
Daniel Eliades, Esq
Daniel.eliades@klgates.com
Jennifer Mazawey, Esq.
Jennifer.mazawey@klgates.com
William Waldman, Esq.
william.waldman@klgates.com
Jon Edel, Esq.
jon.edel@klgates.com
Brandy Sargent, Esq.
brandy.sargent@klgates.com

If to Purchaser:

Town of Pagosa Springs
551Springs Blvd.
Pagosa Springs, CO 81147
David Harris
dharris@pagosasprings.co.gov
James Dickhoff
jdickhoff@pagosasprings.co.gov
Jeff Sams
jeff@pagosaspringscdc.org

With required copy to:

Collins Cole Winn and Ulmer, PLLC
165 S. Union Blvd Suite 785
Lakewood, CO 80228
Robert Cole, Esq.
rcole@cogovlaw.com

and

Bryan Cave Leighton Paisner LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541
David Unseth, Esq.
David.Unseth@bclplaw.com
Bruce Likoff, Esq.
Bruce.Likoff@bclplaw.com

15.1.2. Receipt of Notices. All Notices sent by a Party (or its counsel pursuant to Section 15.1.4 hereof) under this Agreement shall be deemed to have been received by the Party to whom such Notice is sent upon (i) delivery to the address, email address, or facsimile number of the recipient Party, provided that such delivery is made prior to 5:00

p.m. Mountain Time on a Business Day, otherwise the following Business Day, or (ii) the attempted delivery of such Notice if (A) such recipient Party refuses delivery of such Notice, or (B) such recipient Party is no longer at such address, email address or facsimile number, and such recipient Party failed to provide the sending Party with its current address, email address or facsimile number pursuant to Section 15.1.3 hereof.

15.1.3. Change of Address. The Parties and their respective counsel shall have the right to change their respective address and/or facsimile number for the purposes of this Section 15.1 by providing a Notice of such change in address and/or facsimile number as required under this Section 15.1.

15.1.4. Delivery by Party's Counsel. The Parties agree that the attorney for such Party shall have the authority to deliver Notices on such Party's behalf to the other Party hereto.

15.2 No Recordation. No Party shall record this Agreement, or any memorandum of this Agreement, in any public records.

15.3 Time is of the Essence. Time is of the essence as to all dates and/ or times, as applicable, set forth in this Agreement; provided, however, that notwithstanding anything to the contrary in this Agreement, if the time period for the performance of any covenant or obligation, satisfaction of any condition or delivery of any Notice or item required under this Agreement shall expire on a day other than a Business Day, such time period shall be extended automatically to the next Business Day.

15.4 Assignment. Purchaser shall not assign this Agreement or any interest therein to any Person, without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. Notwithstanding the foregoing, Purchaser shall have the right to designate any affiliate(s) (which is intended to be broader than the defined term "Affiliate") as its nominee to receive title to the Property, or assign all of its right, title and interest in this Agreement to any affiliate(s) of Purchaser by providing written notice to Seller no later than five (5) days prior to the Closing, provided that in any such event the originally named Purchaser shall remain liable for all Purchaser obligations hereunder.

15.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns.

15.6 Third Party Beneficiaries. This Agreement shall not confer any rights or remedies on any Person other than (i) the Parties and their respective successors and permitted assigns, and (ii) any indemnitee to the extent such indemnitee is expressly provided any right of defense or indemnification in this Agreement.

15.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF COLORADO, WITHOUT GIVING EFFECT TO ANY PRINCIPLES REGARDING CONFLICT OF LAWS.

15.8 Rules of Construction. The following rules shall apply to the construction and interpretation of this Agreement:

15.8.1. Singular words shall connote the plural as well as the singular, and plural words shall connote the singular as well as the plural, and the masculine shall include the feminine and the neuter, as the context may require.

15.8.2. All references in this Agreement to particular articles, sections, subsections or clauses (whether in upper or lower case) are references to articles, sections, subsections or clauses of this Agreement. All references in this Agreement to particular exhibits or schedules (whether in upper or lower case) are references to the exhibits and schedules attached to this Agreement, unless otherwise expressly stated or clearly apparent from the context of such reference.

15.8.3. The headings in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

15.8.4. Each Party and its counsel have reviewed and revised (or requested revisions of) this Agreement and have participated in the preparation of this Agreement, and therefore any rules of construction requiring that ambiguities are to be resolved against the Party which drafted the Agreement or any exhibits hereto shall not be applicable in the construction and interpretation of this Agreement or any exhibits hereto.

15.8.5. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms shall refer to this Agreement, and not solely to the provision in which such term is used.

15.8.6. The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without limitation."

15.8.7. The term "sole discretion" with respect to any determination to be made a Party under this Agreement shall mean the sole and absolute discretion of such Party, without regard to any standard of reasonableness or other standard by which the determination of such Party might be challenged.

15.9 Severability; Conflict. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time in any jurisdiction, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement, or the validity or enforceability of such affected term or provision at any other time or in any other jurisdiction. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any term, condition, or provision of this Agreement conflicts with or is contrary to Applicable Law, such Applicable Law shall govern and control, and such term, condition, or provision shall be deemed modified to the minimum extent necessary to comply with such Applicable Law. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any term, condition, or provision of this Agreement conflicts with or is contrary to the Sale Procedures, this Agreement govern and control, and the conflicting term, condition, or provision in the Sale Procedures shall be deemed modified by Debtor to the extent necessary to comply with this Agreement.

15.10 JURISDICTION AND VENUE. ANY LITIGATION OR OTHER COURT PROCEEDING WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION

WITH THIS AGREEMENT SHALL BE CONDUCTED IN THE BANKRUPTCY COURT AND SELLER (FOR ITSELF AND ALL SELLER INDEMNITEES) AND PURCHASER (FOR ITSELF AND ALL PURCHASER INDEMNITEES) HEREBY SUBMIT TO JURISDICTION AND CONSENT TO VENUE IN SUCH COURT AND WAIVE ANY DEFENSE BASED ON FORUM NON CONVENIENS.

15.11 WAIVER OF TRIAL BY JURY. EACH PARTY HEREBY WAIVE ITS RIGHT TO A TRIAL BY JURY IN ANY LITIGATION OR OTHER COURT PROCEEDING WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT. THE FOREGOING WAIVER IS MADE BY THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AND IS SUBJECT TO NO EXCEPTIONS.

15.12 Incorporation of Recitals, Exhibits and Schedules. The recitals to this Agreement, and all exhibits and schedules (as amended, modified and supplemented from time to time pursuant to Section 15.14 hereof) referred to in this Agreement are incorporated herein by such reference and made a part of this Agreement. Any matter disclosed in any schedule to this Agreement shall be deemed to be incorporated in all other schedules to this Agreement.

15.13 Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Parties hereto and shall supersede any other agreements and understandings (written or oral) between the Parties on or prior to the Effective Date with respect to the transaction described in this Agreement.

15.14 Amendments, Waivers and Termination of Agreement. No amendment or modification to any terms or provisions of this Agreement, waiver of any covenant, obligation, breach or default under this Agreement or termination of this Agreement (other than as expressly provided in this Agreement), shall be valid unless in writing and executed and delivered by each of the Parties.

15.15 Not an Offer. The delivery by Seller of this Agreement executed by Seller shall not constitute an offer to sell the Property, and Seller shall have no obligation to sell the Property to Purchaser, unless and until all Parties have executed and delivered this Agreement to all other Parties.

15.16 Execution of Agreement. A Party may deliver executed signature pages to this Agreement by facsimile or electronic transmission to any other Party, which facsimile or electronic copy shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

15.17 Substantial Contribution. In consideration of and expressly contingent upon approval of the Stalking Horse Protections pursuant to the Stalking Horse Order, Purchaser hereby waives any right it may have to pursue a substantial contribution claim in the Bankruptcy Case pursuant to 11 U.S.C. §503.

15.18 Real Estate Commission. Seller and Purchaser each represent and warrant to the other that neither Seller nor Purchaser has contacted or entered into any agreement with any real estate broker, agent, finder or any other party in connection with this transaction other than Seller's

broker, Hilco Real Estate LLC ("Broker"), and that neither Party has taken any action which would result in any real estate broker's, finder's or other fees or commissions being due and payable to any Party other than Broker with respect to the transaction contemplated hereby. To the extent permitted by law, Purchaser hereby indemnifies and agrees to hold the Seller harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the Seller by reason of a breach of the representation and warranty made by Purchaser in this Section. Seller hereby indemnifies and agrees to hold the Purchaser harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the Purchaser by reason of a breach of the representation and warranty made by Seller in this Section.

15.19 Radon Disclosure. THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT STRONGLY RECOMMENDS THAT ALL PURCHASERS 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 PURCHASER 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 IN REAL ESTATE TRANSACTIONS IS AVAILABLE AT: HTTPS://CDPHE.COLORADO.GOV/RADON-AND-REAL-ESTATE.

**[Remainder of page intentionally left blank;
Signatures on following pages]**

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and delivered in its name by a duly authorized officer or representative.

SELLER:
ELK RUN PROPERTY OWNERS ASSOCIATION, INC.

______________________________ By:______________________________
Name: LuAnn Blea
Title: Board President

PURCHASER:
TOWN OF PAGOSA SPRINGS

______________________________ By:______________________________
Name: David J. Harris
Title: Town Manager

EXHIBIT A

LEGAL DESCRIPTION

Building 001A, Units 7101-7104;
Building 002A, Units 7105-7108;
Building 003A, Units 7109-7112;
Building 004A, Units 7113-7116; and
Building 005A, Units 7117-7118

Of Elk Run Townhouses, as more fully described and set forth in Declaration of Protective Covenants and Interval Ownership for Elk Run Townhouses, recorded June 26, 1986, at Reception No. 140481, Official Records Archuletta County, Colorado, as the same has been amended, supplemented, and/or restated.

EXHIBIT B

LEASES

None

EXHIBIT C

FORM OF EARNEST MONEY ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement") is made and entered into by and between the Seller, Bidder, and Escrow Agent identified below and herein.

NOTICE: This Escrow Agreement is **NOT EFFECTIVE**, and Escrow Agent shall have no duties hereunder, until Escrow Agent receives the Earnest Money, as provided herein, and this Escrow Agreement is executed by all Parties, hereto. The Escrow Agent will be the last Party to execute this Escrow Agreement.

1. **Parties.** The Parties to this Escrow Agreement are as follows:

   "Seller" shall refer to Elk Run Property Owners Association, Inc., a Colorado non-profit corporation. Seller's address is 42 Pinion Causeway, Pagosa Springs, CO 81447.

   "Bidder" shall refer to Town of Pagosa Springs, a municipal corporation and political subdivision of the State of Colorado. Bidder's address is 551 Springs Blvd. Pagosa Springs, CO 81147.

   "Escrow Agent" shall refer to Bank of the San Juans, ____.

2. **Bankruptcy Proceedings**. Reference is made to those certain matters captioned *In RE: Elk Run Property Owners Association, Inc., debtor, Case No. 26-10311 (TBM), United States Bankruptcy Court, District of Colorado* (the "Bankruptcy Proceedings"). The law firm of K&L Gates, LLP represents Seller in the Bankruptcy Proceedings (hereinafter "Seller's Counsel").

3. **The Bid.** Bidder has submitted an offer to purchase from Seller (the "Bid") that certain real estate more particularly described in Exhibit "A", attached hereto (the "Real Estate"), subject to review and approval of Court identified in the Bankruptcy Proceedings.

4. **Appointment of Escrow Agent.** Seller and Bidder hereby appoint and designate Bank of the San Juans as escrow agent for the purposes herein set forth. All references to the Escrow Agent, as that term is used herein, shall refer to the Escrow Agent solely in its capacity as such, and not to it in any other capacity whatsoever whether as individual, agent, fiduciary, trustee or otherwise.

5. **Bid Deposit**. On or before ____:_____ a.m./p.m., the _____ day of__________________, 2026, Bidder shall deposit the sum of $_________________as earnest money (the "Earnest Money") with Escrow Agent. Escrow Agent will confirm receipt of deposit with Seller's Counsel. The Earnest Money shall be maintained in an Interest Only Lawyer's Trust Account with a financial institution insured by the Federal Deposit Insurance Corporation. Escrow Agent's wiring instructions are attached hereto as Exhibit "B". Bidder is responsible for all wire transfer fees.

6. **Distribution of Escrow Account**. Bidder and Seller shall execute written instructions ("Instructions") to the Escrow Agent for the distribution of the Escrow Account as follows:

   a. Seller's Counsel shall issue prompt written notice to Escrow Agent and Bidder whether the Bid is approved by the Court identified in the Bankruptcy Proceedings.

   b. In the event the Bid is not approved, Escrow Agent shall promptly return the Earnest Money to Bidder via wire transfer. Bidder will be responsible for wire processing fees in the amount of $50.00.

   c. In the event the Bid is approved, the Earnest Money shall be retained by Escrow Agent pending the closing of the Real Estate for credit against the purchase price. Unless otherwise indicated herein, the Earnest Money shall remain in the Escrow Account in Escrow Agent's custody pending satisfaction of the conditions described in the purchase agreement and closing instructions of the Seller and Bidder.

   d. Following distribution of the Escrow Account, Escrow Agent shall have no further liability or responsibility under this Escrow Agreement.

e. If the Parties refuse to execute instructions distributing the Escrow Account and resolve any dispute they may have in accordance with this Paragraph 6 when requested to do so, Escrow Agent shall be authorized to interplead any funds then remaining in its hands into a court having appropriate jurisdiction in Archuleta County, Colorado, and be absolved of any further responsibility under this Escrow Agreement. The Escrow

Agent shall be reimbursed by the Parties on an equal basis for any and all legal fees, costs, or other expenses it may incur as a result of such action.

7. Rights, Obligations and Indemnification of Escrow Agent.

a. In performing any of its duties under this Escrow Agreement, or upon the claimed failure to perform its duties hereunder, the Escrow Agent shall not be liable to anyone for any damages, losses, or expenses which it may incur as a result of the Escrow Agent so acting, or failing to act; provided, however, that the Escrow Agent shall be liable for damages arising out of its fraud or willful default under this Escrow Agreement. Accordingly, the Escrow Agent shall not incur any such liability with respect to (i) any action taken or omitted to be taken in good faith, whether or not acting upon advice of its counsel given with respect to any questions relating to the duties and responsibilities of the Escrow Agent hereunder, nor (ii) any action taken or omitted to be taken in reliance upon any document, including any written notice or instructions provided for in this Escrow Agreement, not only as to such document's due execution and to the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information contained herein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Escrow Agreement. The Escrow Agent shall have no liability for loss arising from any cause beyond its control, including (but not limited to) the following: (i) the act, failure or neglect of any agent or correspondent selected by Bidder or Seller, or any of them, for the remittance of funds; (ii) any delay, error, omission or default of any mail, telegraph, cable, or wireless agency or operator; or (iii) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers.

b. Seller and Bidder agree to indemnify and hold harmless the Escrow Agent against any and all fees, losses, claims, damages, liabilities, and expenses, including, without limitation, reasonable costs of investigation and counsel fees and disbursements which may be imposed by the Escrow Agent or incurred by it in connection with its acceptance of this appointment as Escrow Agent hereunder, or the performance of its duties hereunder, including, without limitation, any litigation arising from this Escrow Agreement or involving the subject matter hereof or thereof; except, that if the Escrow Agent shall be found guilty of fraud or willful default under this Escrow Agreement then, in that event, the Escrow Agent shall bear all such losses, claims, damages, and expenses.

c. The Escrow Agent shall be bound only by the terms of this Escrow Agreement and shall not be bound by, or be deemed to have knowledge of any of the terms of, or incur any liability with respect to any purchase agreement for the Real Estate or any other agreement or understanding to which the Escrow Agent is not a party. The Escrow Agent shall not have any duties hereunder except those specifically set forth herein.

d. If any part of the funds deposited hereunder is at any time attached, garnished or levied upon under any court order, or if the payment or transfer of any such funds shall be stayed or enjoined by any court order, or any order, judgment or decree shall be made or entered by any court affecting such funds or any portion thereof, then in any of such events the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment, or decree which it is advised by legal counsel is binding upon it. Bidder and Seller jointly and severally agree to indemnify the Escrow Agent and hold it harmless against any loss, liability or expense of any kind which may result, in whole or in part, from any delay in acting with respect to any such order, writ, judgment, or decree. If the Escrow Agent complies with any such order, writ, judgment, or decree, it shall not be liable to Bidder, Seller, or any other person, firm or corporation by reason of such compliance, even though such order, writ, judgment or decree may subsequently be reversed, modified, annulled, set aside or vacated.

e. Bidder and Seller further agree that in addition to any further rights the Escrow Agent may have hereunder or otherwise, should any dispute arise with respect to the payment or ownership or right of possession of any of the funds or properties held by the Escrow Agent as contemplated herein, the Escrow Agent is authorized to retain in its possession all or part of such funds until the dispute has been settled either by mutual agreement of all the parties concerned or by a final judicial determination, or the Escrow Agent may in its sole discretion terminate this Escrow Agreement as set forth in Subparagraph 7(i).

f. The Escrow Agent's activities hereunder shall be only those of, or incidental to, a passive ministerial depository and disbursing payor pursuant to the terms hereof. In the event of any disagreements or conflicting instructions resulting in adverse claims or demand being made upon the Escrow Agent in connection herewith, or in the event that the Escrow Agent in good faith is in doubt as to what action should be taken hereunder, it may, at its option, refuse to comply with any claims or demands on it, or resign as Escrow Agent pursuant to the terms of this Escrow Agreement, or refuse to take any other action hereunder, and in any such event, the Escrow Agent shall not be or become liable in any way or to any party for its failure or refusal from acting until all differences shall have been settled and all doubt resolved.

g. The Escrow Agent: (i) except as otherwise expressly provided herein, shall have no obligation to make any payment hereunder unless all the necessary funds and/or documents have been actually received by the Escrow Agent; (ii) shall be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value, or genuineness of the underlying transactions contemplated herein or any purchase agreement concerning the Real Estate; (iii) may rely on and shall be protected in acting upon any certificate, instrument, any notice as provided in Paragraph 9 below, letter, telegram, telecopy, or other document delivered to the Escrow Agent and reasonably believed by the Escrow Agent to be genuine and to have been sent by the proper party or parties; and (iv) may consult its counsel regarding questions which may arise and the advice or opinion of such counsel shall be conclusive evidence of good faith in respect of any action taken, suffered, or omitted by the Escrow Agent hereunder in accordance with the advice or opinion of such counsel. However, the Escrow Agent shall be under no obligation to consult with counsel, and failure to do so shall not be evidence of a lack of good faith on the part of the Escrow Agent.

h. Escrow Agent shall have no responsibility for the investment of any funds held hereunder. It is the intention of the parties that, except as otherwise expressly provided herein, Escrow Agent shall never be required to use or advance its own funds or otherwise incur financial liability in the performance of its duties or the exercise of any of its rights and powers hereunder.

i. Escrow Agent may resign without obtaining the order of any court, by giving at least thirty (30) days prior written notice (unless waived) to Bidder and Seller and upon the taking of all the actions as described in this Subparagraph (i) by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to Bidder or Seller or to any other person or persons in connection with this Escrow Agreement. Such resignation shall be effective upon the appointment by Bidder and Seller of a successor agent; provided, that if any such appointment of any successor agent is not effectuated within thirty (30) days of such written notice, the Escrow Agent may file an action for interpleader and deposit all funds with a court of competent jurisdiction, all as provided for in Subparagraph (k) below. Any successor agent appointed under the provisions of this Escrow Agreement shall have all of the same rights, powers, privileges, immunities and authority with respect to the matters contemplated herein as are granted herein to the original Escrow Agent.

j. It is not the intention of the parties hereto to create, nor shall this Escrow Agreement be construed as creating, a partnership or association, or to render the parties hereto liable as partners.

k. Notwithstanding any provision herein to the contrary, in the event of any disagreement or controversy arising under this Escrow Agreement or if conflicting demands or notices are made upon the Escrow Agent growing out of or relating to this Escrow Agreement or in the event the Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Escrow Agent shall have the right, at its election, to withhold and stop all further proceedings, in and performance of, this Escrow Agreement and all instructions received hereunder and file a suit in interpleader and obtain an order from a court of competent jurisdiction requiring all parties involved to interplead and litigate in such court their claims and rights among themselves and with the Escrow Agent. The foregoing remedy shall be cumulative of any other remedies available to the Escrow Agent provided hereunder or in law or at equity. Should any suit or legal proceeding be instituted growing out of or related to this Escrow Agreement, whether such suit be initiated by the Escrow option, to stop all further proceedings under and performance of this Escrow Agreement and of all instructions received hereunder until all differences shall have been rectified and all doubts resolved by agreement or until the rights of all parties shall have been fully and finally adjudicated.

8. Fees, Expenses and Charges. Unless otherwise stated herein, Seller and Bidder shall be liable 50/50 for the expenses and charges of the Escrow Agent, including reasonable fees, expenses, and charges in connection with this Escrow Agreement and its services hereunder, which expenses and charges shall be payable on demand. The Escrow Agent may deduct unpaid expenses and charges from amounts otherwise distributable to Seller for its half and bill Bidder for its half.

9. Notices and Instructions. All notices, advice, and/or instructions ("Notices") provided for or permitted hereunder shall be in writing and shall be deemed given if delivered personally or mailed, by certified or registered mail, return receipt requested, with postage prepaid, and addressed to the parties hereto as follows:

a. If to Bidder:

Name: Town of Pagosa Springs
Address: 551 Springs Blvd.
Pagosa Springs, CO 81147
Email: David Harris
dharris@pagosasprings.co.gov
James Dickhoff
jdickhoff@pagosasprings.co.gov
Jeff Sams
jeff@pagosaspringscdc.org

With a copy to:

Collins Cole Winn and Ulmer, PLLC
165 S. Union Blvd Suite 785
Lakewood, CO 80228
Robert Cole, Esq.
rcole@cogovlaw.com

and

Bryan Cave Leighton Paisner LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541
Fax: (303) 866-0200
David Unseth, Esq.
David.Unseth@bclplaw.com
Bruce Likoff, Esq.
Bruce.Likoff@bclplaw.com

b. If to Seller:
Elk Run Property Owners `
Association, Inc.
Attn: LuAnn Blea, President
42 Pinion Causeway
Pagosa Springs, CO 81447

With a copy to:
K&L Gates, LLP
Attn: Daniel M. Eliades
One Newark Center – 10th Floor
Newark, New Jersey 07102
Phone: 973-848-4018
Email: Daniel.Eliades@klgates.com

c. If to Escrow Agent:
Bank of the San Juans

With a copy to:
Bank of the San Juans

10. Entire Agreement; Governing Law. This Escrow Agreement contains the entire agreement of the Parties with regard to the matters set forth herein and it may not be amended or modified except in writing signed by all of the Parties hereto. This Escrow Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado and the Escrow Account shall be administered at the offices of the Escrow Agent.

11. Successors and Assigns. This Escrow Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns. This Escrow Agreement shall not be assignable by any of the Parties hereto without the prior written consent of the other Parties.

12. Counterparts. This Escrow Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute but a single instrument.

[Execution on Following Page(s)]

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the day last executed below.

SELLER:
Elk Run Property Owners Association, Inc.,
a Colorado nonprofit corporation

_____________________________ _____________
By: LuAnn Blea Date
Its: President

BIDDER:
Town of Pagosa Springs,
a municipal corporation and political subdivision of the State of Colorado

_____________________________ _____________
By: Date
Its:

ESCROW AGENT:
Bank of the San Juans

_____________________________ _____________
By: Date
Its:

1613290996.2

Exhibit “A”
Legal Description

Building 001A, Units 7101-7104;
Building 002A, Units 7105-7108;
Building 003A, Units 7109-7112;
Building 004A, Units 7113-7116; and
Building 005A, Units 7117-7118

Of Elk Run Townhouses, as more fully described and set forth in Declaration of Protective Covenants and Interval Ownership for Elk Run Townhouses, recorded June 26, 1986, at Reception No. 140481, Official Records Archuletta County, Colorado, as the same has been amended, supplemented, and/or restated.

Exhibit B
Escrow Agent's Wiring Instructions

EXHIBIT D

ENVIRONMENTAL DOCUMENTS

- Phase I Environmental Site Assessment, Dated December 31, 2025

EXHIBIT E

MAINTENANCE TASKS

1. Inspect the Property no less frequently than weekly to determine whether utilities are functioning, property damage has occurred, and whether animals have entered the Property, and timely remediate any issues noted by the inspector; provided that property damage, if any, due to casualty shall be addressed as provided in Section 13.1.

2. Use commercially reasonable efforts to remove rodents/varmints) from crawl spaces and reinstall vent covers that have fallen off outside of crawl spaces.

3. Lawn mowing and snow removal as required.

4. Maintenance of existing lighting in working order.

5. Maintain in force a pest extermination contract with a third-party vendor, such as Orkin, for inside and outside service, to include spraying for spiders, ants, and putting out mouse traps, spider traps and other if needed.

SCHEDULE 1

(Executory Contracts)

None

SCHEDULE 2

(Unexpired Leases)

None

SCHEDULE 3

(Equipment Leases)

None