

A. License Qualifications, Applications and Examinations

A-1. Repealed (1-6-00)

A-2. Effective January 1, 2006 educational requirements for an initial license imposed by 12-61-103(4) and (6)(c)(II) C.R.S., must be completed and proof of completion filed in a method or manner as prescribed by the Commission prior to taking the examination and applying for a license. Effective October 1, 2005, educational providers authorized pursuant to 12-61-103(4) C.R.S. must file with the Commission's exam provider electronically, or in such other method or manner as prescribed by the Commission, a certification of completion, evidencing that an applicant has successfully completed the respective course requirements.

A-3. Examinations will be given only to duly qualified applicants for a real estate broker license, licensees upgrading a license, or licensees meeting the continuing education requirement; however, one instructor from each real estate school offering real estate courses required of applicants under section 12-61-103(4) C.R.S. may write the examination one time during any 12-month period.

A-4. Repealed.

A-5. The real estate license examination is made up of two parts, the general part, and the local (state) part. Applicants for licensure who must receive passing scores on both the general part and the state part of the examination need not receive them on the same administration date. If one part is failed, the applicant may retake it at a subsequent time. In no event will a passing score on either part be accepted beyond one year.

A-6. Repealed

A-7.

The Real Estate Commission will not certify to any person, state or agency any information concerning the results of any examination as it pertains to any person who has written the examination unless such person is or has been licensed as a Colorado real estate broker or pursuant to such examination; except, that the Commission may authorize a special examination for existing licensees for certification purposes.

A-8. Subject to 12-61-103 (6), a person who has successfully passed the written exam must, in compliance with Rule A-5, within one year of the date of passing the entire examination, apply in complete detail for licensure accompanied by the statutory application fee and the appropriate supporting documentation showing the person has completed the required educational and/or experience requirements pursuant to applicable statutes and rules. Such complete application for licensure must be received within the one-year period as set forth in Rule A-5, or all rights to a passing score will be terminated and any incomplete application will be canceled. All examination records pertaining to a canceled application will be destroyed.

A-9. Provided the applicant has submitted a complete and satisfactory application in compliance with 12-61-102 C.R.S., the Commission will issue a license within 10 business days after receipt by the Commission of satisfactory results from the fingerprint-based criminal history record check. If the application or record check is not complete or satisfactory, the applicant will be mailed a notice of deferred status. The license of a broker whose application has been approved by the Commission subject to the receipt of certain compliance items shall be issued on an inactive status if such compliance items are not submitted within 20 days after written notification by the Commission.

A-10. The Commission may deny or defer an original license application pursuant to 12-61-103(3). Under no circumstances will an examination be recognized by the Commission as complying with 12-61-

103(6) after 18 months from the date an applicant took the examination which resulted in a passing score.

A-11. An applicant for a Colorado real estate broker license, who has been licensed as a real estate broker or salesperson in any other state must file with the application for a Colorado license a "certification of licensing history" issued by each state where licensed or has been licensed as a real estate broker or salesperson. If currently licensed, such certificate must bear a date of not more than 90 days prior to submission date of the application. If no longer licensed, such certificate must bear a date subsequent to expiration date.

A-12. (a) Pursuant to 12-61-103 C.R.S., an applicant who has been convicted or pleaded nolo contendere to a misdemeanor or a felony, or any like municipal code violation, or has such charges pending or has agreed to a deferred prosecution, a deferred judgment, or a deferred sentence (violations) (excluding misdemeanor traffic violations) within the last ten years must file prior to or with his or her application for licensing the following information and documentation:

1. A written and signed personal explanation and detailed account of the facts and circumstances surrounding each violation, which shall include the statement, "I have been charged with no other criminal violations either past or pending, other than those I have stated on the application."
2. The completed Commission form number REC-BAA, including results of court hearing(s), in the form of copies of charges, disposition, pre-sentencing report and most recent probation or parole report.
3. If the applicant is to be employed by another licensee, the employing broker must submit a letter stating that he/she is aware of the specific charge(s) or convictions(s).

(b) (1) At any time prior to submission of a formal application for licensure a person may request that the Commission issue a preliminary advisory opinion regarding the potential effect that previous conduct, criminal conviction(s) or violation(s) of the real estate license law may have on a future formal application for licensure. Such opinion may be issued by the Commission, in its discretion, in order to provide preliminary advisory guidance. Any such opinion shall not be binding on the Commission or limit the Commission's authority to investigate a future formal application for licensure. However, if the Commission issues a favorable advisory opinion, the Commission may elect to adopt such advisory opinion as the final decision of the Commission without further investigation or hearing.

- (2) An individual seeking a preliminary advisory opinion under this rule is not an applicant for licensure and the issuance of an unfavorable opinion shall not prevent such individual from making application for licensure pursuant to the real estate licensing law and the rules and regulations of the Commission.

A-13. Repealed August 2, 2005 (effective 10-2-05)

A-14. A salesperson license will automatically be placed on inactive status unless there is satisfactory proof submitted to the Commission that the requirements of 12-61-103.5 C.R.S have been met prior to renewal of such license for the year 2000 and thereafter.

A-15. Brokers and salespersons initially licensed prior to July 1, 2004, must submit fingerprints to the Colorado Bureau of Investigation to be used to complete (one time only) a criminal history record check pursuant to 12-61-110 (4) (a) and 110.8 C.R.S. prior to the renewal of an active license, or

in the event such license is renewed inactive, prior to activation of such license. Renewed licenses will automatically be placed on inactive status until the results of a criminal record check have been received by the Commission. Fingerprints may be submitted for processing prior to renewal either electronically or on Card No. FD-258 in a manner acceptable to the Colorado Bureau of Investigation. Fingerprints must be readable and all personal identification data completed in a manner satisfactory to Colorado Bureau of Investigation.

- A-16. Effective August 9, 2005, applicants for an initial license must submit a set of fingerprints to the Colorado Bureau of Investigation and Federal Bureau of Investigation for the purpose of conducting a state and national criminal history record check prior to submitting an application for a license. Applications submitted to the Commission for which the results of a criminal history record check have not been received by the Commission will automatically be voided as incomplete, and the application fee paid will be non-refundable. Fingerprints must be submitted to the Colorado Bureau of Investigation for processing either electronically or on Card No. FD-258 in a manner acceptable to the Colorado Bureau of Investigation. Fingerprints must be readable and all personal identification data completed in a manner satisfactory to the Colorado Bureau of Investigation.
- A-17. The seventy two hours of instruction or equivalent distance learning hours required in 12-61-103(4)(a)(III) C.R.S. must be satisfied by successful completion of courses of study approved by the Commission as follows:
- (a) A minimum of 24 hours in Real Estate Closings; and
 - (b) A minimum of 8 hours in Trust Accounts and Record Keeping; and
 - (c) A minimum of 8 hours in Current Legal issues; and
 - (d) A minimum of 32 hours in Practical Applications.
- A-18. Repealed (effective 1-1-96)
- A-19. Repealed (effective 3-4-99)
- A-20. If the applicant for licensure is denied by the Commission for any reason, the applicant will be informed of the denial and the reason therefore.
- A-21. Repealed (effective 1-1-97)
- A-22. Repealed.
- A-23. Completion of the courses of study approved by the Commission as required in 12-61-103(4)(a)(I), (II), (III), & 6(c) (II) C.R.S., whether through classroom or distance learning, must be based upon educational principles acceptable to the Real Estate Commission.
- A23.5 Repeal 5/3/05
- A-24. The Commission may audit courses and may request from each school offering a Commission approved course of study under 12-61-103(4)(a) and (b), C.R.S., all instructional material related thereto and student attendance records as may be necessary for an investigation in the enforcement of Section 103 of the License Law and Commission Rules and Regulations. The purpose of the audit shall be to ensure that schools adhere to the approved course of study, offer course material and instruction consistent with acceptable education standards and instruct in such a manner that the desired learning objectives are met. Failure to comply with the provisions of this rule may result in the withdrawal of Commission course approval.

- A-25. If the fees accompanying any application or registration made to the Commission (including fees for the recovery fund, renewals, transfers, etc.) are paid for by check and the check is not immediately paid upon presentment to the bank upon which the check was drawn, the application shall be canceled; the application may be reinstated only at the discretion of the Commission and upon full payment of any fees together with payment of the fee required by state fiscal rules for the clerical services necessary for reinstatement.
- A-26. Pursuant to 12-61-103(7)(c) C.R.S., a temporary broker's license maybe issued to a corporation, partnership or limited liability company to prevent hardship. No application for a temporary broker's license will be approved unless the designated individual is a Colorado real estate broker with two years of active license experience as indicated by the records of the Real Estate Commission. No more than two temporary licenses may be issued to any corporation, partnership or limited liability company, whether consecutive or not, during any 18 month period, except by the Commission.
- A-26. Pursuant to 12-61-103(7)(c) C.R.S., a temporary broker's license may be issued to a corporation, partnership or limited liability company to prevent hardship. No application for a temporary broker's license will be approved unless the designated individual is a Colorado real estate licensee. No more than two temporary licenses may be issued to any corporation, partnership or limited liability company, whether consecutive or not, during any 18 month period, except by the Commission.

B. Continuing Education

- B-1. The Commission has determined that the license renewal process can be made more efficient by apportioning license renewals throughout the entire calendar year.
- (a) Calendar year renewal period. Historically, licenses have been renewed for three-year periods commencing on January 1 of year one and expiring on December 31 of year three (e.g. January 1, 2003 through December 31, 2005). This is the "calendar year renewal period" .
 - (B) Transition renewal period and partial year. The Commission shall renew a license expiring on December 31, 2005 or 2006 or 2007, for a period of time equal to two years plus the number of days until the broker's initial date of issuance anniversary date (or another date assigned by the Commission), the "anniversary date" . For example, if a license expires on December 31, 2005, and the broker's initial date of issuance anniversary date is July 15, then the Commission shall issue a license for the period of January 1, 2006 through July 15, 2008. The less than three-year renewal period (e.g. January 1, 2006 though July 15, 2008) is called the "transition renewal period" . The less than one-year period from January 1 until the initial date of issue anniversary date (e.g. January 1, 2008 through July 15, 2008) is called a "partial year" .
 - (c) Anniversary date renewal period. After the transition renewal period, all subsequent license renewals shall be for a full three-year period called the "anniversary date renewal period" . This period shall commence on the broker's initial date of issuance anniversary date (e.g. July 15, 2008) and expire three years later on the broker's initial date of issuance anniversary date (e.g. July 15, 2011).
 - (d) Anniversary year. During the anniversary date renewal period, the one-year period of time between the broker's initial date of issuance anniversary date and the next anniversary date is an "anniversary year" . There are three anniversary years in each anniversary date renewal period.

B-2.

Licensed brokers must satisfy the continuing education requirement before applying to renew an active license, to activate an inactive license or to reinstate an expired license to active status. Licensed brokers may satisfy the entire continuing education requirement through one of the following options:

- (a) Completing the eight hours required by C.R.S. 12-61-110.5 (1) (c) and (2) required by this rule in annual 4-hour increments developed by the Commission and called the "Annual Commission Update" course. Licensees choosing this option must complete an additional 16 hours of elective credit hours to meet the 24-hour total continuing education requirement during the license period in subject areas listed in C.R.S. 12-61-110.5 (3).
- (b) Beginning April 1, 2006 each licensee must take the 4-hour Annual Commission Update course twice during each license period. A licensee may not take the same version of the Annual Update Course more than once during each license period. If the Annual Commission Update course is taken three times during a license period, the licensee will receive elective credit hours for the third course.
- (c) Completing the Commission-approved 24-hour "Broker Transition" course. (This option is permitted once to each licensee in lieu of the requirements of rule B-2 (a)).
- (d) Completing the Commission-approved 24-hour "Brokerage Administration" course. (This option is permitted once to each licensee in lieu of the requirements of rule B-2 (a)).
- (e) By passing the Colorado portion (state part) of the licensing exam.

B-3.

- (a) Pursuant to 12-61-110.5 (2), C.R.S. and Rule B-2 (a), the 4-hour "Annual Commission Update" course shall be developed and presented by the Division of Real Estate and furnished without charge to approved providers. Said course shall be presented without additional development by the provider or instructor.
- (b) Any provider specified in commission rule B-6 (a) may request and offer the "Annual Commission Update" course. All other providers must apply annually for approval to offer the course using the commission-approved form and procedures in commission rule B-12, except that the course outline (B-12 (a)) and course exam (B-12 (b)) will be furnished by the Commission.
- (c) Each active licensed broker must complete the "Annual Commission Update" course by achieving a passing score of 70% on a written or on-line course examination developed by the Commission. The Commission shall provide multiple course examinations for successive use by licensed brokers failing the end-of-course examination.

B-4. All continuing education courses may be offered and completed by distance learning (i.e. courses outside the traditional classroom setting in which the instructor and learner are separated by distance and/or time).

B-5. The following types of courses will not qualify for continuing education credit:

- (a) Sales or marketing meetings conducted in the general course of a real estate brokerage practice.
- (b) Orientation, personal growth, self-improvement, self-promotion or marketing sessions.
- (c) Motivational meetings or seminars.

(d) Examination preparation or exam technique courses.

B-6. The following courses, subject to all other provisions of Rule B, if within the topic areas listed in 12-61-110.5 (3) C.R.S., will be accepted for elective continuing education credit without Commission pre-approval.

(a) Courses offered by accredited colleges, universities, community or junior colleges, public or parochial schools, government agencies or proprietary real estate schools approved by the Colorado Division of Private Occupational Schools.

(b) Courses developed and offered by national professional trade organizations offering courses to their own members.

(c) Courses approved by and taken in satisfaction of another occupational licensing authority's education requirements.

(d) Courses in real property law by a provider approved by the Colorado Board of Continuing Legal and Judicial Education.

(e) Courses offered by employing brokers to their employed licensed brokers.

(f) Courses offered by any provider exempt from Colorado school registration under C.R.S. 12-59-104.

B-7. Repeal 5/3/05

B-8. The following course format and administrative requirements apply to all Colorado continuing real estate education for licensed brokers:

(a) Courses must be at least 1 hour in length, containing at least 50 instructional minutes.

(b) A maximum of 8 hours of credit may be earned per day.

(c) No course may be repeated for credit in the same calendar year.

(d) Instructors may receive credit for classroom teaching hours once per course taught per year.

(e) Hours in excess of 24 may not be carried forward to satisfy a subsequent renewal requirement.

(f) No school/provider may waive, excuse completion of, or award partial credit for the full number of course hours.

(g) No challenge exam or equivalency may substitute for the full course outline.

(h) No credit may be earned for remedial education stipulated to between a licensed broker and the Commission as part of a disciplinary action or alternative to disciplinary action.

(i) No course offering by a provider will be accepted unless the provider has either been granted a certificate of approval by the Colorado Department of Higher Education, Division of Private Occupational Schools, or is exempt from such requirement pursuant to C.R.S. 12-59-104.

B-9. Repeal

- B-10. Each Colorado licensed broker is responsible for securing from the provider evidence of course completion in the form of an affidavit, certificate or official transcript of the course. Said documentation must be in sufficient detail to show the name of the licensee, course subject, content, duration, date(s) and contain the authentication of the provider. Licensees must retain proof of continuing education completion for 4 years, and provide said proof to the Commission upon request.
- B-11. Each provider approved under rule B-3 must retain copies of course outlines or syllabi and complete records of attendance for a period of four (4) years.
- B-12. Continuing education providers required to have Commission course approval must, in accordance with all of the provisions of this Rule B, submit an application form prescribed by the Commission, along with the following information at least 30 days prior to the proposed class dates:
- (a) Detailed course outline or syllabus, including the intended learning outcomes, the course objectives and the approximate time allocated for each topic.
 - (b) A copy of the course exam(s) and instructor answer sheet if applicable. In the absence of an exam, the criteria used in evaluating a person's successful completion of the course objectives.
 - (c) Copy of instructor teaching credential; if none, a resume showing education and experience which evidence mastery of the material to be presented.
 - (d) A copy of advertising or promotional material used to announce the offering.
 - (e) Upon Commission request, a copy of textbook, manual, audio or videotapes, or other instructional material.
 - (f) Effective January 1, 2001, providers of continuing education offered through distance learning must submit evidence in a form prescribed by the real estate commission that the method of delivery and course structure is consistent with acceptable education standards assuring that the desired learning objectives are met. The Commission will approve methods of delivery certified by the Association of Real Estate License Law Officials (ARELLO), or by a substantially equivalent authority and method.
- B-13. By offering real estate continuing education in Colorado, each provider agrees to comply with relevant statutes and Commission rules and to permit Commission audit of said courses at any time and at no cost.
- B-14. The act of submitting an application for renewal, activation or reinstatement of a real estate license shall mean that the licensee attests to compliance with the continuing education requirements of C.R.S. 12-61-110.5

C. Licensing - Office

- C-1. A broker licensed as an individual or as an individual doing business under a trade name shall be the sole owner of the brokerage business or such brokerage business will be considered as a partnership and the partnership shall apply for a broker's license under 12-61-103(7) C.R.S.

C-2. Resident broker required to have office; exceptions

Every resident Colorado real estate broker shall maintain and supervise a brokerage practice available to the public, except those brokers registered in the Commission office as in the employ of another broker or those brokers registered as inactive.

C-3. Responsible broker availability

Any broker licensed as an individual proprietorship or the acting broker for a corporation, partnership or limited liability company must be reasonably available to manage and supervise such brokerage practice during regular business hours.

C-4. Repealed effective 1-1-97

C-5. Repealed effective 1-1-97

C-6. Repealed effective 1-1-97

C-7. Repealed effective 1-1-97

C-8. Repealed effective 1-1-97

C-9. Repealed.

C-10. Repealed.

C-11. Repealed.

C-12. Repealed.

C-13. (a) Repealed

(b) Repealed

C-14. Employed licensees licensed under a broker doing business under a trade name shall be licensed under the individual broker's name and not under the trade name.

C-15. Repealed

C-16. No agreement shall be entered into by any licensee whereby an individual licensee lends their name or license for the benefit of another person, partnership, limited liability company or corporation, whereby the provisions of the Colorado Real Estate Broker License Law and Commission Rules relating to licensing are circumvented.

C-17. The Commission may refuse to issue a license to a partnership, limited liability company or corporation if the name of said corporation, partnership or limited liability company is the same as that of any person or entity whose license has been suspended or revoked or is so similar as to be easily confused with that of the suspended or revoked person or entity by members of the general public.

C-18. A broker may adopt a trade name according to Colorado law and such trade name will appear on the face of the broker's license, however, pursuant to 12-61-103(10) C.R.S. such broker must conduct brokerage business only under such trade name or conduct brokerage business under the entire name appearing on the face of the license.

C-19. (a) The purpose of this rule is to provide interpretation for Section 12-61-103(10), C.R.S. 1973, as amended.

(b) For the purposes of this rule, the following definitions shall apply:

(i) The term "broker" shall mean any sole proprietor, partnership, limited liability

company, or corporation licensed by the Real Estate Commission.

(ii) The term "trade name" shall include trademark, service mark, trade identification, or, any portion thereof which is recognizable as a trade name, trademark, service mark, or trade identification.

(c) Pursuant to 12-61-103(10) C.R.S., no person shall be licensed under more than one name, and no person shall conduct or promote a real estate brokerage business except under the name under which such person or brokerage business is licensed; however, the use of a trade name with the permission of the owner of such trade name may be used concurrently with the licensed name of the broker in the promotion or conduct of the licensed broker's business.

(d) Repealed.

(e) No broker shall advertise or promote its business in such a manner as to mislead the public as to the identity of the licensed broker: nor shall a portion of the licensed name of any broker be advertised or promoted in a manner which would mislead the public as to the identity of the licensed broker.

(f) Any broker using a trade name, the use of which requires obtaining permission from another who has an existing and continuing right in that trade name by virtue of any state or federal law, in advertising other than of specific properties for sale and in advertising of specific properties for sale jointly with other brokers under a trade name shall cause the following legend to appear in a conspicuous and reasonable manner calculated to attract the attention of the public:

"Each (Actual Trade Name) brokerage business is independently owned and operated."

(This legend may be re-phrased if the consent of the Commission is secured.)

(g) Any broker using a trade name owned by another on "for sale" or "for lease" signs on specific property or in advertising specific property for sale in any media shall clearly and unmistakably include said broker's name, as registered with the Commission, in a conspicuous and reasonable manner calculated to attract the attention of the public. The broker's name shall appear where specific property is advertised for sale so that the public may unmistakably identify the broker responsible for the handling of the listing of the specific property.

(h) Any broker using a trade name owned by another on business cards, letterheads, contracts, or other documents relating to real estate transactions, shall clearly and unmistakably include said broker's name as registered with the Commission in a conspicuous and reasonable manner calculated to attract the attention of the public and shall also include the following legend:

"Each (Actual Trade Name) brokerage business is independently owned and operated."

(This legend may be re-phrased if the consent of the Commission is secured.)

(i) Any broker using a trade name owned by another on signs displayed at a place of business shall clearly and unmistakably include said broker's name as registered with the Commission on such signs in a conspicuous and reasonable manner calculated to attract the attention of the public and shall also include the following legend:

"Each (Actual Trade Name) brokerage business is independently owned and operated."

(This legend may be re-phrased if the consent of the Commission is secured.)

C-20. No broker's license will be issued to a broker under a trade name, corporate name, partnership name or limited liability company name which is identical to another licensed broker's trade name, corporate, partnership or limited liability company name.

C-21. A broker licensed as an individual proprietorship shall not adopt a trade name which includes the following words: Corporation, Partnership, Limited Liability Company, Limited, Incorporated, or the abbreviations thereof.

C-22. Employing broker qualifications for business entities

When a broker applicant submits an application to qualify:

(a) A corporation as a real estate brokerage company, the broker applicant must certify that:

1. The corporation has been properly incorporated with the Colorado Secretary of State or is authorized to do business in Colorado, and is in good standing, proof of which shall be included with the application;
2. If an assumed or trade name is to be used, it has been properly filed with and accepted by the Colorado Secretary of State, proof of which shall be included with the application;
3. The broker applicant has been appointed by the board of directors to act as broker for the corporation;

(b) A partnership as a real estate brokerage company, the broker applicant must certify that:

1. The partnership has been properly registered with the Colorado Department of Revenue or properly filed with the Colorado Secretary of State and is in good standing, proof of which shall be included with the application;
2. If an assumed or trade name is to be used, it has been properly filed with Colorado Department of Revenue or filed and accepted by the Colorado Secretary of State, proof of which shall be included with the application;
3. The broker applicant has been appointed the real estate broker for the partnership by all general partners or managers/officers;

(c) A limited liability company as a real estate brokerage company, the broker applicant must certify that:

1. The limited liability company has been properly registered with the Colorado Secretary of State and is in good standing, proof of which shall be included with the application;
2. If an assumed or trade name is to be used, it has been properly filed with the Colorado Secretary of State, proof of which shall be included with the application;
3. The broker applicant has been appointed the real estate broker for the limited liability company by all managers, or if management has been reserved to the members in the articles of organization, by all members;

C-23. Deleted 10-01-2002

C-24. Pursuant to 12-61-101(4)(l) and (m) C.R.S., the regularly salaried employee of an owner of an apartment building or complex or owner's association acting as an on-site manager and performing the customary duties of an on-site manager, is exempt from the requirements of 12-61-101. The customary duties of an on-site manager include maintenance, collecting rents for the owner or owner's licensed broker, showing units to a prospective tenant, and quoting a rental price previously established by the owner or the owner's licensed broker.

To preserve the above-cited exemptions:

- (1) The unlicensed on-site manager must account and report directly to the respective owner or owners association or to an entity licensed as an independent real estate broker; and
- (2) The unlicensed on-site manager must be regularly salaried (salary may include rent value) by the owner of the apartment building or complex or regularly salaried by the owners association for the complex; and
- (3) The unlicensed on-site manager may not negotiate any of the material items of a lease or rental agreement with a tenant or prospective tenant or conduct any other real estate activity which requires a real estate license.

C-25. Notice of termination; employing broker

The employing broker of a licensed corporation, partnership or limited liability company must immediately notify the Commission, in a manner acceptable to the Commission, of the employing broker's termination of employment with such licensed corporation, partnership or limited liability company, or upon the employing broker's failure to continue to comply with 12-61-103 C.R.S. and applicable rules. Upon such notification, the employing broker and all employed licensees shall be placed on inactive status.

C-26. A broker license may be issued on an inactive status.

D. Renewal, Transfer, Inactive License, Errors and Omissions Insurance

D-1. Repealed

D-2. A real estate licensee may request that the Commission records show their license inactive until proper request for reactivation has been made.

D-3. A real estate licensee whose license is on inactive status must apply for renewal of such inactive license and pay the regular renewal fees.

D-4. Renewal of all licenses can be effected by use of the renewal application form provided by the Commission or by other methods acceptable to the Real Estate Commission.

D-5. Inactive renewal notice to last home address

Renewal notice and application for an inactive license will be mailed to the last known residence address of the inactive licensee.

D-6. Active renewal notice to employing broker

The renewal notice and application of employed licensees will be mailed only to the employing broker at the broker's recorded business address.

D-7. When a real estate license is on an inactive status or has been transferred to a subsequent

employing broker, a licensee may be compensated directly by a previous employing broker for commissions earned during that term of employment.

D-8. Repealed.

D-9. Form and fees required to change license

No changes in license status will be made except in a manner acceptable to the Commission to effect such change and upon payment of the statutory fees for such changes.

D-10. Repealed.

D-11. Effective October 1, 2005, an initial license will be issued for a three-year period commencing on the issuance date and expiring three years from the date of issuance.

D-12. All fees paid for the renewal of a license shall be non-refundable.

D-13. The Commission, upon receipt of a complete and satisfactory application, shall renew a license expiring on December 31, 2005 or 2006 or 2007, for a period of time equal to two years plus the number of days until the licensee's initial date of issuance anniversary date. Thereafter, the license renewal periods shall begin on the date of issuance anniversary date and continue for three full years. An expired license may be reinstated as follows:

- (a) If proper application is made within thirty-one days after the date of expiration, by payment of the regular renewal fee;
- (b) If proper application is made more than thirty-one days but within one year after the date of expiration, by payment of the regular renewal fee and payment of a reinstatement fee equal to one-half the regular renewal fee;
- (c) If proper application is made more than one year but within three years after the date of expiration, by payment of the regular renewal fee and payment of a reinstatement fee equal to the regular renewal fee.

D-14. Errors and omissions (E&O) insurance

Every active real estate licensee, including licensed real estate companies, shall have in effect a policy of errors and omissions insurance to cover all acts requiring a license.

- (a) The Commission shall enter into a contract with a qualified insurance carrier to make available to all licensees and license applicants a group policy of insurance under the following terms and conditions:
 - (1) The insurance carrier is licensed and authorized by the Colorado division of insurance to write policies of errors and omissions insurance in this state.
 - (2) The insurance carrier maintains an A.M. Best rating of "B" or better.
 - (3) The insurance carrier will collect premiums, maintain records and report names of those insured and a record of claims to the commission on a timely basis and at no expense to the state.
 - (4) The insurance carrier has been selected through a competitive bidding process.
 - (5) The contract and policy are in conformance with this rule and all relevant Colorado statutory

requirements.

(b) The group policy shall provide, at a minimum, the following terms of coverage:

- (1) Coverage for all acts for which a real estate license is required, except those illegal, fraudulent or other acts which are normally excluded from such coverage.
- (2) Deleted 10/01/03
- (3) That the coverage cannot be canceled by the insurance carrier except for non-payment of the premium or in the event a licensee becomes inactive or is revoked or an applicant is denied a license.
- (4) Pro-ration of premiums for coverage which is purchased during the course of a calendar year but with no provision for refunds of unused premiums.
- (5) Not less than \$100,000 coverage for each licensed individual and entity per covered claim regardless of the number of licensees or entities to which a settlement or claim may apply.
- (6) An annual aggregate limit of not less than \$300,000 per licensed individual or entity.
- (7) A deductible amount for each occurrence of not more than \$1,000 for claims and no deductible for legal expenses and defense.
- (8) The obligation of the insurance carrier to defend all covered claims and the ability of the insured licensee to select counsel of choice subject to the written permission of the carrier, which shall not be unreasonably withheld.
- (9) Coverage of a licensee's use of lock boxes, which coverage shall not be less than \$25,000 per occurrence.
- (10) The ability of a licensee, upon payment of an additional premium, to obtain higher or excess coverage or to purchase additional coverages from the group carrier as maybe determined by the carrier.
- (11) that coverage is individual and license specific and will cover the licensee regardless of changes in employing broker.
 - (12) The ability of a licensee, upon payment of an additional premium, to obtain an extended reporting period of not less than 365 days.
 - (13) A conformity endorsement allowing a colorado resident licensee to meet the errors and omissions insurance requirement for an active license in another group mandated state without the need to purchase separate coverage in that state.
- (c) Licensees or applicants may obtain errors and omissions coverage independent of the group plan from any insurance carrier subject to the following terms and conditions:
 - (1) The insurance carrier is licensed and authorized by the Colorado division of insurance to write policies of errors and omissions insurance in this state and is in conformance with all Colorado statutes.
 - (2) The insurance provider maintains an A.M. Best rating of "B" or better

(3) The policy, at a minimum, complies with all relevant conditions set forth in this rule and the insurance carrier so certifies in an affidavit issued to the insured licensee or applicant in a form specified by the Commission and agrees to immediately notify the Commission of any cancellation or lapse in coverage. Independent coverage must provide, at a minimum, the following:

(i) The contract and policy are in conformance with all relevant Colorado statutory requirements.

(ii) Coverage includes all acts for which a real estate license is required, except those illegal, fraudulent or other acts which are normally excluded from such coverage.

(iii) Coverage cannot be canceled by the insurance provider, except pursuant to and in conformance with 10-4-109.7 CRS

(iv) Coverage is for not less than \$100,000 for each licensed individual and entity per covered claim, regardless of the number of licensees or entities to which a settlement or claim may apply, with an annual aggregate limit of not less than \$300,000 per licensed individual and entity.

(v) Payment of claims by the provider shall be on a first dollar basis and the provider shall look to the insured for payment of any deductible.

(vi) The ability of a licensee, upon payment of an additional premium, to obtain an extended reporting period of not less than 365 days.

(vii) That the provider of the independent policy has executed an affidavit in a form or manner specified by the commission attesting that the independent policy is in force and, at a minimum, complies with all relevant conditions set forth herein and that the provider will immediately notify the commission in writing of any cancellation or lapse in coverage of any independent policy.

(viii) Coverage of a licensee's use of lock boxes, which coverage shall not be less than \$25,000 per occurrence.

(d) Applicants for licensure, activation, renewal and reinstatement shall certify compliance with this rule and 12-61-103.6 C.R.S. on forms or in a manner prescribed by the Commission. Any active licensee who so certifies and fails to obtain errors and omissions coverage or to provide proof of continuous coverage, either through the group carrier or directly to the Commission, shall be placed on inactive status:

(1) immediately, if certification of current insurance coverage is not provided to the Commission; or,

(2) immediately upon the expiration of any current insurance when certification of continued coverage is not provided.

15. Each broker and salesman applicant who qualifies for original licensure will be issued a license expiring December 31st of the same year of issuance and the renewal thereof will be in accordance with Rule D-14.

16. All fees paid for the renewal of a broker or salesman license shall be non-refundable.

E. Separate Accounts - Records - Accountings - Investigations

E-1. Trust accounts; requirements and purposes

All "money belonging to others" accepted by a resident or non-resident broker doing business in this state shall be deposited in one or more accounts separate from other money belonging to the broker or brokerage entity. The broker shall identify the fiduciary nature of each separate account in the deposit agreement with the recognized bank or institution by the use of the word "trust" or "escrow" and a label identifying the purpose/type of such account, i.e., "sales escrow", "rental escrow", "security deposit escrow", "owners association escrow", or other abbreviated form defined in the deposit agreement. Unless otherwise permitted by other subsections of this rule, all money belonging to others shall be deposited according to the purpose of the transaction in separate types of escrow accounts. The broker shall retain a copy of each account deposit agreement executed for inspection by an authorized representative of the Commission.

- (a) Such separate trust accounts must be maintained in the name of the licensed broker or if the licensed broker is a partnership, corporation or limited liability company, such account shall be maintained in the name of the broker acting for such partnership, corporation or limited liability company and in the name of the licensed partnership, limited liability company or corporation. The licensed broker must be able to withdraw money from such separate account, but may authorize other licensed or unlicensed co-signers. However, such authorization shall not relieve the broker of any responsibility under the licensing act.
- (b) Credit Union escrow or trust accounts do not meet the escrow requirements of 12-61-113 (1) (g.5) C.R.S., and are therefore not suitable depositories for money belonging to others.
- (c) When a broker is registered in the office of the Real Estate Commission as in the employ of another broker the responsibility for the maintenance of a separate account shall be the responsibility of the employing broker.
- (d) Money belonging to others shall not be invested in any type of account or security or certificate of deposit which has a fixed term for maturity or imposes any fee or penalty for withdrawal prior to maturity unless the written consent of all parties to the transaction has been secured.
- (e) Repealed (effective 1-1-96)
- (f) A broker's personal funds shall not be commingled with money belonging to others except that an arrangement may be made with a depository to deposit a sufficient amount of the broker's funds to maintain such account. One or more separate escrow or trust bank accounts may be maintained by a broker pursuant to the following duties and limitations:
 - (1) Money held in an escrow or trust account which is due and payable to the broker shall be withdrawn promptly.
 - (2) An escrow or trust account shall not be used as a depository for money belonging to licensees employed by a broker except pursuant to an executory sales contract, nor shall it be used for money the broker owes their licensees, or for bonuses or investment plans for the benefit of their licensees.
 - (3) Collections for insurance premiums and/or IRS employee's withholding funds shall not be deposited in a separate trust account established pursuant to 12-61-113(g) and (g.5) C.R.S.

- (4) Money advanced by a broker for the benefit of an other may be placed in the trust account and identified as an advance but may be withdrawn by the broker only on behalf of such person. Any amount advanced to an escrow or trust account must be identified and recorded in the escrow journal, the beneficiary's ledger and disclosed in periodic accounting to the beneficiary.
- (5) Funds of others received by a broker relating to real estate partnerships, joint ventures and syndications in which the broker has an ownership interest and also receives compensation for selling or leasing the property shall be maintained in a trust account separate from any other trust account maintained by such broker.
- (6) In the absence of a specific written agreement to the contrary, commissions, fees and other charges collected by a broker for performing any service on behalf of another are considered "earned" and available for use by the broker only after all contracted services have been performed, and there is no remaining right of recall for such money. The broker shall identify and record all commissions, fees, or other charges withdrawn from a trust or escrow account on the account journal and individual ledgers of those against whom the fees or commissions are charged. If a single disbursement of fees or commissions includes more than one transaction, rental period or occupancy or includes withdrawals from the account of more than one trust or escrow account beneficiary, the broker, upon request, shall produce for inspection by an authorized representative of the real estate commission a schedule which details (1) the individual components of all amounts included in the sum of such disbursement and (2) specifically identifies the affected beneficiary or property ledgers. Ledger entries must detail such disbursements in accordance with rule E-1 (p)(2), including the date or time period for each individual transaction, rental or occupancy.
- (g) Money belonging to others which is received by the broker includes but is not limited to money received in connection with: property management contracts; partnerships; limited liability companies; syndications; rent or lease contracts; advance fee contracts; guest deposits for short term rentals; escrow contracts; collection contracts; earnest money contracts; or, money belonging to others received by the broker for future investment or other purpose.
- (h) If a broker who is also acting as a builder receives deposit money under an executory sales contract which provides for the construction of a house, the deposit money must be placed in the trust account and not used for construction purposes unless the written consent of the purchaser is secured.
- (i) A broker who manages less than seven (7) single family residential units may deposit rental receipts and security deposits and disburse money collected for such purposes in the "sales escrow" account.
- (j) Repealed (effective 1-1-96)
- (k) If a conveyance is made by an installment contract for a deed and if such contract contains a provision whereby the broker signs the installment contract as the receipting broker, the broker must escrow the receipted money pursuant to Rule E-1 until the owner signs acceptance of the contract and a copy of the fully executed contract is delivered to the purchaser.
- (l) When a sales contract or an installment contract for the sale of an interest in real estate is signed by the parties to the transaction and the purchaser also executes a promissory note and/or a mortgage or trust deed encumbering such property before the seller delivers the deed, then all payments received by the broker pursuant to such contract

shall be deposited in a trust account in a recognized depository until delivery of such deed to the purchaser unless the broker receives specific written consent from all parties concerning disposition of such funds. This rule shall apply whether or not the broker and seller are one and the same.

- (m) Checks received as earnest money under an earnest money contract must be identified as a check in the contract and may be withheld from presentment for payment only if so disclosed in the contract or pursuant to the written instructions of the seller. If a note is received as earnest money under an earnest money contract, the seller must be informed by identifying the note in the contract and by informing the seller of the date such note becomes due by stating the due date in the contract or attaching a copy of the note to the contract. The broker must present the note or check for payment in a timely manner and if payment is not made, the broker shall promptly notify the seller.
- (n) Except as provided in Rule E-1(o), all money belonging to others which is received by a broker as a property manager shall be deposited in such broker's escrow or trust account not later than five business days following receipt. All other money belonging to others which is received by a broker shall be deposited in such broker's escrow or trust account not later than the third business day following receipt.
- (o) Listing broker holds escrow funds; delivery to third party Except as otherwise agreed to in writing, in any real estate transaction in which one broker holds a listing contract on a property and where the selling broker receipts for earnest money under a contract, the selling broker shall deliver the contract and the earnest money to the listing broker who shall deposit the earnest money in the broker's escrow or trustee account in a recognized depository not later than the third business day following the day on which the broker receives notice of acceptance of such contract. If such selling broker receipts for a promissory note, or thing of value, such note or thing of value shall be delivered with the contract to the listing broker to be held by the listing broker. Any check or note shall be payable to, or assigned to, the listing broker.
 - (1) The broker receipting for the earnest money deposit, if instructed in writing by the parties to the contract, shall deliver the earnest money to a third party or entity so identified in writing. If the broker is instructed in writing by the parties to the contract to deliver an earnest money deposit to such third party or entity, the broker shall retain in the office transaction file a copy of the earnest money check, note or other thing of value, including any endorsement, and obtain a dated and signed receipt from the person or entity to whom the broker has been instructed to deliver the deposit.
- (p) A broker shall supervise and maintain, at the broker's licensed place of business, a record keeping system, subject to subsection (7) of this rule, consisting of at least the following elements for each required escrow or trust account:
 - (1) A record called an "escrow or trust account journal" or an equivalent accounting system which records in chronological sequence all money belonging to others which is received or disbursed by the broker. For funds received, the records maintained in the system must include the date of receipt and deposit, the name of the person who is giving the money, the name of the person and property for which the money was received, the purpose of the receipt, the amount, and a resulting cash balance for the account. For funds disbursed, the records maintained in the system must include the date of payment, the check number, the name of the payee, a reference to vendor documentation or other physical records verifying purpose for payment, the amount paid, and a resulting cash balance for the account.

- (2) A record collectively called a “ledger” or an equivalent component of an accounting system which records in chronological sequence all money which is received or disbursed by the broker on behalf of each particular beneficiary of a trust account. This record must show the monetary transactions affecting each individual beneficiary and must segregate such transactions from those pertaining to other beneficiaries of the trust account. The ledger record for each beneficiary must contain the same transactional information as is prescribed in subsection (1). No ledger may ever be allowed to have a negative cash balance and the sum of all ledger balances must at all times agree with the corresponding cash balance in the journal after each transaction has been posted.
- (3) A written monthly record called the “bank reconciliation worksheet” which proves agreement, on the date of reconciliation, between (1) the cash balance shown in the account journal; (2) the sum of the cash balances for all ledgers; and (3) the corresponding bank account balance. This worksheet must be maintained in hard copy form for later inspection and list each beneficiary's ledger balance on the date of reconciliation. The broker is not required to reconcile any trust account when no money belonging to others has been received or no banking activity has occurred.
- (4) When managing property, if summary totals are reported to others, the broker must maintain supporting records which accurately detail all cash received and disbursed under the terms of the management and rental agreements. Such summary totals must be reconcilable to detailed supporting records. Any accounting report furnished to others must be prepared and delivered according to the terms of the management agreement or, in the absence of a provision in the written management agreement to the contrary, within thirty (30) days after the end of the month in which funds were either received or disbursed.
- (5) If a broker has on deposit personal funds sufficient to maintain the trust account pursuant to Rule E-1(f), an entry showing such money shall be made in the journal and on a “broker's ledger record” per subsections (1) and (2). Such money shall be included in the bank reconciliation worksheet.
- (6) All deposits of funds into an escrow or trust account must be documented (i.e. bank deposits) including confirmation of electronic and telephonic transfers or on detailed schedules attached to the deposit slips or confirmations. The documentation must identify each person tendering funds to the broker for deposit, the amount of funds tendered, types of funds received from each person, and the property address, affected. All disbursements of funds from an escrow or trust account must be supported by source documents such as bids, invoices, contracts, etc. that identify the payees, property addresses affected and amount of funds transferred for each property. Real estate licensees shall produce for inspection by an authorized representative of the real estate commission any cancelled checks (or front and back copies) or hardcopy confirmations of electronic or telephonic transfers as may be reasonably necessary to complete audits or investigations.

All disbursements of funds from an escrow or trust account must be supported by a record of the basis for such disbursement such as bids, invoices, contracts, etc., together with cancelled checks (or front and back copies) or hardcopy confirmations of electronic or telephonic transfers that identifies the payees, property addresses affected and amount of funds transferred for each property.

- (7) In the absence of a written agreement to the contrary, the “cash basis” of accounting shall be used for maintaining all required escrow or trust accounts and records. If

the "accrual basis" of accounting is requested by the beneficiary of funds entrusted to a broker, such request must be in writing and the broker shall maintain separate accrual basis accounts and sets of records for each person or entity affected; such accounts and records shall be separate from other accounts and records maintained on the cash basis.

(8) Pursuant to C.R.S. 12-61-113(1)(c.5),(q) and 6-1-105, the broker must obtain prior written consent to assess and receive mark-ups and/or other compensation for services performed by any third party or affiliated business entity. The broker must retain accurate on-going office records which verify disclosure and consent, and which fully account for the amounts or percentage of compensation assessed or received.

(q) Money belonging to one beneficiary of a separate trust or escrow account shall not be used for the benefit of another beneficiary of a trust or escrow account.

(r) Any instrument or equity or thing of value taken in lieu of cash shall be held by the broker except as otherwise agreed.

(s) In the event a branch office maintains a trust account, separate from the trust account(s) maintained by the main office, a separate record keeping system must be maintained in the branch office.

(t) Repealed (effective 1-1-96)

(u) A broker is not limited as to the number of separate accounts which may be maintained for money belonging to others and if the broker is not in possession of money belonging to others, there is no obligation to maintain a separate account.

E-2. When money is collected by a broker for the performance of specific services or for the expenses of performing such services, or for any other expense including but not limited to advertising expenses in regard to the sale or management of real property, or a business opportunity, and such money is collected before the advertising or other services have been performed, the broker shall deposit such money in an escrow or trust account pursuant to 12-61-113(1)(g.5) C.R.S. No money may be withdrawn from such person's funds, except for actual authorized expenses paid to perform the service, or on behalf of that person, until the broker has fully performed the services agreed upon. A full and itemized accounting must be furnished the person within 30 days of any withdrawal of funds from the escrow or trust account. Nothing in this section shall prohibit a licensee from taking a non-refundable retainer which need not be deposited into an escrow or trust account provided this is specifically agreed to in writing between the licensee and the person paying the retainer.

E-3. A real estate licensee shall produce for inspection by an authorized representative of the Real Estate Commission any document or record as may be reasonably necessary for investigation or audit in the enforcement of Title 12 Article 61 and in enforcement of the rules and regulations of the Real Estate Commission. Failure to submit such documents or records within the time set by the Commission in its notification shall be grounds for disciplinary action unless the Commission has granted an extension of time for such production. However, a broker who is also acting as a manager for an owners association shall turn all association management records and supporting documentation over to the association at the end of the broker's term of management. Such records are the property of the owners association and if the broker wishes to maintain copies for the broker's own files these must be made at the broker's expense.

E-4. Document preparation and duplicates

A real estate broker shall immediately deliver a duplicate of the original of any instrument (except deeds, notes and trust deeds or mortgages, prepared by and for the benefit of third party lenders) to all parties executing the same when such instrument has been prepared by the broker or the broker's employed licensee or closing entity and relates to the employment or engagement of the broker or pertains to the consummation of the leasing, purchase, sale or exchange of real property in which the broker may participate as a broker. For purposes of this rule, duplicate shall mean legible photocopy, carbon copy, facsimile, or electronic copies which contain a digital or electronic signature as defined in 24-71-101(1) C.R.S. Such broker shall retain a copy of the duplicate instruments for future use or inspection by an authorized representative of the Real Estate Commission. If a broker or the broker's agent prepares a mortgage or trust deed for the benefit of a buyer or seller, an unsigned duplicate of such security instrument, together with a copy of the note, unsigned or prominently marked "copy," shall be furnished to the purchaser; copies shall also be retained in such broker's office for further use or inspection by an authorized representative of the Real Estate Commission. Cooperating brokers, including brokers acting as agents for buyers in a specific real estate transaction, shall have the same requirements for retention of copies as stated above, except that a cooperating broker who is not a party to the listing contract need not retain a copy of the listing contract or the seller's settlement statement. Pursuant to Rule E-3, a broker is not required to obtain and retain copies of existing public records, title commitments, loan applications, lender required disclosures or related affirmations from independent third party closing entities after the settlement date.

- E-5. Pursuant to 12-61-113 (1)(h), at time of closing, the individual licensee who has established a brokerage relationship with the buyer or seller or who works with the buyer or seller as a customer, either personally or on behalf of an employing broker, shall be responsible for the proper closing of the transaction and shall provide, sign and be responsible for an accurate, complete and detailed closing statement as it applies to the party with whom the brokerage relationship has been established. If signed by an employed licensee, closing statements shall be delivered to the employing broker immediately following closing. Nothing in this rule shall relieve an employing broker of the responsibility for fulfilling supervisory responsibilities pursuant to 12-61-103 (6)(c), 12-61-113(1)(o), 12-61-118 C.R.S and Rules E-31 and E-32.
- (a) Subject to Rule E-4, an employing or independent broker with whom a brokerage relationship has been established, either personally or through an employed licensee, shall retain a copy of all closing statements approved by the respective buyers or sellers for future use or for inspection by an authorized representative of the Real Estate Commission.
 - (b) The closing statement or statements of all real estate or business opportunity transactions in which a real estate broker participates shall show the date of closing, the total purchase price of the property, itemization of all adjustments, money, or things of value received or paid showing to whom each item is credited and/or to whom each item is debited, the dates of the adjustments shall be shown if not the same as the date of the closing, also shown shall be the balances due from the respective parties to the transaction, and the names of the payees, makers and assignees, of all notes paid or made or assumed; the statements furnished to each party to the transaction shall contain an itemization of such credits and such debits as pertain to each respective party. **THE CREDITS AND DEBITS CONCERNING THE SALE OF A PREOWNED HOME WARRANTY SERVICE CONTRACT SHALL BE DISCLOSED ON THE CLOSING STATEMENTS.**
 - (c) Closing statements shall be provided to the respective parties at the time of the delivery and acceptance of the title whether such delivery and acceptance be effected by bill of sale, deed or by an installment contract to give a deed at a future date.
 - (d) If closing documents and statements are prepared by, and the closing is conducted by, an employing broker's company such broker is primarily responsible for the accuracy and completeness of the settlement statements and documents.

- (e) If a licensee with whom a brokerage relationship has been established is unable to attend a closing or review closing documents, another licensee may agree or be designated by an employing broker to review and sign a closing statement and will assume joint responsibility with the absent licensee for its accuracy, completeness and delivery.
- (f) A broker may transfer funds pertinent to a real estate transaction from a trust or escrow account to a lawyer or a closing entity acting on behalf of the broker at or before closing or final settlement. The broker will not be relieved of responsibilities in regard thereto. The broker delivering the earnest money deposit to a lawyer or a closing entity providing settlement services shall obtain a dated and signed receipt from the person or entity providing settlement services and retain a copy of the receipt in the office transaction file. The settlement statements prepared by the lawyer or closing entity shall bear the names of the licensee who signs the statement and the employing broker if applicable.

E-6. Electronic Records

Records as required under Title 12, Article 61, Parts 1-8 C.R.S. and rules promulgated by the Commission, may be maintained in electronic format. An electronic record as defined in 24-71.7-103 C.R.S. means a record generated, communicated, received, or stored by electronic means. Such electronic records shall be produced upon request by the Commission and must be in a format that has the continued capability to be retrieved and legibly printed. Upon request of the Commission, or by any principal party to a transaction, printed records shall be produced.

E-7. Repealed (Effective February 1, 2001)

E-8. A real estate licensee who performs any act requiring a license, including advertising services or advertising property belonging to another, shall do so in the name of the employing broker; except that a licensed employee may advertise property owned by such employee without complying with this rule if the property is not listed for sale with the employing broker. General advertising which recaps sales activity over a period of time in a given subdivision or geographical area shall cite the source of the data and include a disclaimer that all reported sales were not necessarily listed or sold by the licensee and are intended only to show trends in the area or shall separately identify the licensee's own sales activity.

E-9. Repealed effective 1-1-97

E-10. A broker license is non transferable. No licensee shall, and no broker shall permit, employed licensees to present or to hold themselves out to the public as an employing or independent real estate broker.

E-11. When a licensee secures a written agreement to perform activities requiring a license, a definite date for termination shall be included therein.

E-12. When a written agreement contains a provision entitling the broker to a commission on a sale or purchase made after the expiration of the agreement, such provision must refer only to those persons or properties with whom or on which the broker negotiated during the term of the agreement, and whose names or addresses were submitted in writing to the seller or buyer during the term of the agreement, including any extension thereof.

E-13. A real estate licensee shall not negotiate a sale, exchange, lease or listing contract of real property directly with an owner for compensation from such owner if such licensee knows that such owner has a written unexpired contract in connection with such property which grants to another licensee an exclusive right to sell or lease or which grants an exclusive agency right to sell or lease.

However, when a licensee is contacted by an owner regarding the sale, exchange, lease or listing of property that is exclusively listed with another broker, and the licensee has not initiated the discussion, the licensee may negotiate the terms upon which to take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

Additionally, a real estate licensee shall not negotiate a purchase, exchange, lease or exclusive right to buy contract with a buyer if such licensee knows that such buyer has a written, unexpired contract which grants to another licensee an exclusive right to buy.

However, when a licensee is contacted by a buyer regarding the purchase, exchange or lease of property, and the licensee has not initiated the discussion, the licensee may enter into or negotiate the terms upon which to enter into a future exclusive right to buy contract to become effective upon expiration of any existing exclusive right to buy contract.

- E-14. A real estate licensee shall recommend, before the closing of a real estate transaction, the examination of title and shall advise the use of legal counsel.
- E-15. When for any reason the owner fails, refuses, neglects or is unable to consummate the transaction as provided for in the contract, and through no fault or neglect of the purchaser the real estate transaction cannot be completed, the broker has no right to any portion of the deposit money which was deposited by the purchaser, even though the commission is earned, and such deposit should be returned to the purchaser at once and the broker should look to the owner for compensation.
- E-16. A broker receipting for security deposits shall not deliver such deposits to an owner without the tenant's written authorization in a lease or unless written notice has been given to the tenant by first class mail. Such notice must be given in a manner so that the tenant will know who is holding the security deposit and the specific requirements for the procedure in which the tenant may request return of the deposit. If a security deposit is delivered to an owner, the management agreement must place financial responsibility on the owner for its return, and in the event of a dispute over ownership of the deposit, must authorize disclosure by the broker to the tenant of the owner's true name and current mailing address. The broker shall not contract with the tenant to use the security deposit for the broker's own benefit.
- E-17. Repealed (Effective June 30, 2004)
- E-18. A licensee shall not accept, directly or indirectly, a placement fee, commission or other valuable consideration for placing a loan with a mortgage lender or its representative in any real estate transaction in which the licensee, directly or indirectly, received, or is entitled to receive a commission as a result of the sale of property in such transaction unless the licensee fully informs any party with whom they have established a brokerage relationship, or worked with as a customer, and obtains prior written consent of such party.
- All licensees should comply with the RESPA statute and regulations regarding receipt of referral fees. To the extent Rule E-18 on referral fees differs from that of RESPA and HUD, licensees should comply with RESPA and HUD to avoid jeopardizing their standing with respect to federally related loan programs and are advised to contact HUD for further clarification.
- E-19. A licensee shall not accept a commission, fee, or other valuable consideration from an abstract or title insurance company or its representative in any real estate transaction in which the licensee, directly or indirectly, receives, or is entitled to receive, a real estate commission as a result of the sale of property in such transaction. (Statement of Basis and Purpose as adopted by the Real Estate Commission on October 5, 1988.)

E-20. The licensee shall not submit or advertise property without authority, and, in any offering, the price quoted should not be other than that agreed upon with the owners as the offering price.

E-21. When a licensee has received written notification from the Commission that a complaint has been filed against the licensee, the licensee has been selected for an audit, or that an audit has identified record keeping or trust account deficiencies, such licensee shall submit a written answer to the Commission. Failure to submit a written answer within the time set by the Commission in its notification shall be grounds for disciplinary action unless the Commission has granted an extension of time for the answer in writing and regardless of the question of whether the underlying complaint warrants further investigation or subsequent action by the Commission. The licensee's written answer shall contain the following:

- (a.) A complete and specific answer to the factual recitations, allegations or averments made in the complaint filed against the licensee, whether made by a member of the public, on the Commission's own motion or by an authorized representative of the Commission.
- (b.) A complete and specific response to any additional questions, allegations or averments presented in the notification letter.
- (c.) Any documents or records requested in the notification letter.
- (d.) Any further information relative to the complaint that the licensee believes to be relevant or material to the matters addressed in the notification letter.

E-22. 1. Pursuant to C.R.S. 12-61-113.2, a licensee shall not directly or indirectly give or receive or attempt to give or receive any incentive, remuneration, Commission, fee or other valuable consideration, or impose any disincentive or penalty, to or from any other person for the purpose of influencing the referral of title insurance business to a particular title insurance company, title insurance agent or title insurance agency. Such incentives or disincentives include, but are not limited to the following:

- (a) Giving anything of value to a person, including, but not limited to money, marketing expenses, advertising, bonuses and raises;
- (b) Varying the nature or extent of anything of value given to a person, including, but not limited to, money, marketing expenses, advertising, bonuses and raises;
- (c) Varying any fee, or the due date of any fee charged to any person, including, but not limited to desk fees, equipment fees, marketing fees, or lease and rental fees.

2. No person or entity shall be in violation of this rule solely by reason of ownership in a title insurance company, or title insurance agency as defined in C.R.S. 10-11-102, and regulations promulgated thereunder wherein such person or entity receives bona fide dividends, returns on equity or capital distributions by reason of such ownership not otherwise proscribed by C.R.S. 10-11-108. In addition, this rule shall not prohibit the payment to any person of a bona fide salary or compensation or other payment for services actually performed for the business of the title insurance company or title insurance agency not otherwise proscribed by C.R.S. 10-11-108, et seq. and regulations promulgated thereunder.

3. Nothing in this rule shall prohibit a licensee from making a bona fide business decision as to which title insurance company, agent or agency business shall be referred so long as this rule is not being violated.

4. Pursuant to C.R.S. 12-61-113.2 (1)(b), if a real estate licensee refers a buyer or seller to a title

insurance company or title insurance agency in which the real estate licensee or the licensee's employing broker has a financial interest, the licensee shall disclose such financial interest, in writing, upon the signing of a listing agreement or the disclosure of a brokerage relationship.

(a) Compliance with the disclosure requirements set forth in the real estate settlement procedures act of 1974, 12 USC 2607 (c)(4)(a), shall be deemed compliance with the disclosure requirements of this rule.

(b) In instances in which the disclosure is from the listing company to a selling company and buyer, such disclosure shall be given at or prior to the signing of the contract to buy and sell real estate.

5. Violations of this rule shall be enforced pursuant to and in compliance with applicable sections of C.R.S. 12-61-113 (investigations) and 114 (hearings).

[This Rule shall also apply to payment made to citizens of a country which does not license real estate brokers if the payee represents that he is in the business of selling real estate in said country.]

E-23. A licensed Colorado broker who cooperates with a broker who is licensed in another state or country but is not licensed in Colorado may pay such out-of-state broker a finders fee or share of the commission under these circumstances:

(a) The broker licensed in the other state or country must reside and maintain an office in the other state or country.

(b) All advertising, negotiations, contracting and conveyancing done in Colorado must be performed in the name of the licensed Colorado broker.

(c) All money collected from the parties to the transaction prior to closing shall be deposited in the name of the licensed Colorado broker according to Commission rules. This rule shall also apply to payment made to citizens or residents of a country which does not license real estate brokers if the payee represents that they are in the business of selling real estate in said country.

E-24. A real estate licensee who procures or attempts to procure a real estate license by fraud, misrepresentation, deceit or by making a material misstatement of fact in an application for such license, will be subject to disciplinary action pursuant to 12-61-113, C.R.S., as amended.

E-25. When acting in a licensed capacity or when a licensee sells, buys or leases real property on the licensee's own account, such licensee shall have a continuing duty to disclose any known conflict of interest that may arise in the course of the transaction. In addition, when a licensee sells, buys or leases real property on the licensee's own account, such licensee shall disclose in the contracting instrument, or in a separate concurrent writing, that they are a real estate licensee.

E-26. Repealed.

E-27. No licensee shall make misrepresentations regarding future availability or costs of services, utilities, character and/or use of real property for sale or lease of the surrounding area.

E-28. A licensee shall not accept, directly or indirectly, a fee, commission or other valuable consideration from a pre-owned home warranty service company or its affiliate for services rendered in connection with the sale of a pre-owned home warranty service contract.

E-29. The terms “employment” , in the employ of” , “employed” , “employing” , “placed under contract” , or “engaged” , as used in the licensing statutes (12-61-101 C.R.S. et seq.) and Commission Rules, shall refer to any contractual relationship by or between a real estate broker and another licensee, which may be with or without limitation as to the time, place, or manner of performance of the licensee's activities, but which shall not relieve the real estate broker from the statutory requirement that the real estate broker shall exercise authority, direction and control over licensee's conformance to the licensing statutes and Commission Rules in the performance of such licensee's activities pursuant to 12-61-103 (6)(c)(I) C.R.S., 12-61-113 (1) (o) C.R.S., 12-61-118 C.R.S., and Commission Rules. Whenever a complaint is filed with the Real Estate Commission against an employed licensee, the Commission shall cause an investigation to be made to ascertain whether there may have been a violation of 12-61-113(1)(o) C.R.S. by the employing real estate broker in failing to exercise a reasonable or high level of supervision over such licensee's activities with reference to the licensing statutes and Commission Rules. Such supervision, pursuant to 12-61-118 C.R.S. shall include all broker employees, including but not limited to secretaries, bookkeepers and personal assistants of licensed employees.

E-30. To ensure compliance with commission statutes and rules regarding supervision, employing brokers shall have the following responsibilities:

- (a) Maintain all trust accounts and trust account records;
- (b) Maintain all transaction records;
- (c) Develop an office policy manual and periodically review office policies with all employees;
- (d) Provide for a high level of supervision of newly licensed persons pursuant to rule E-32;
- (e) Provide for a reasonable level of supervision for experienced licensees pursuant to rule E-31;
- (f) Take reasonable steps to ensure that violations of statutes, rules and office policies do not occur or reoccur;
- (g) Provide for adequate supervision of all offices operated by the broker, whether managed by licensed or unlicensed persons.

E-31. Reasonable supervision

Pursuant to section 12-61-113(1)(o), C.R.S., and in addition to the requirements of Commission Rule E-30 “reasonable supervision” of licensees with two or more years of experience shall include, but not be limited to, compliance with the following:

- (a) Maintaining a written office policy describing the duties and responsibilities of licensees employed by the broker. A copy of the written policy shall:
 - (1) be given to, read and signed by each licensee;
 - (2) be available for inspection, upon request, by any authorized representative of the Commission.
- (b) Reviewing all executed contracts in order to maintain assurance of competent preparation.
- (c) Reviewing transaction files to ensure that required documents exist.
- (d) Nothing in this rule shall prohibit an employing broker from delegating supervisory authority to other experienced licensees.

- (1) Employed licensees who accept supervisory authority from an employing broker shall bear responsibility with the employing broker for ensuring compliance with the Commission statutes and rules by all supervised licensees.
- (2) Any such delegation of authority shall be in writing and signed by the employed licensee to whom such authority is delegated. A copy of such delegation shall be maintained by the employing broker for inspection, upon request, by any authorized Commission representative.
- (3) An employing broker shall not contract with any employed licensee so as to circumvent the requirement that the broker supervise employed licensees.

E-32. In addition to the requirements of Rule E-31 and pursuant to section 12-61-103 (6)(c)(I) C.R.S., an employing broker shall provide a "high level of supervision" for licensed persons with less than two years experience as follows:

- (a) Provide specific training in office policies and procedures;
 - (b) Be reasonably available for consultation;
 - (c) Provide assistance in preparing contracts;
 - (d) Monitor transactions from contracting to closing;
 - (e) Review documents in preparation for closing;
 - (f) Ensure that the employing broker or an experienced licensee attends closings or is available for assistance.
 - (g) Nothing in this rule shall prohibit an employing broker from delegating supervisory authority to other experienced licensees.
- (1) Employed licensees who accept supervisory authority from an employing broker shall bear responsibility with the employing broker for ensuring compliance with the Commission statutes and rules by all supervised licensees.
 - (2) Any such delegation of authority shall be in writing and signed by the employed licensee to whom such authority is delegated. A copy of such delegation shall be maintained by the employing broker for inspection, upon request, by any authorized Commission representative.

E-33. Following proper disclosure pursuant to 12-61-808 C.R.S., a broker engaged as a single agent for one party to a transaction may assist the other party by performing such ministerial tasks as showing a property, preparing and conveying written offers and counteroffers, making known the availability of financing alternatives and providing information related to professional, governmental and community services which will contribute to completion of the transaction and successful fulfillment of the agency. Performing such ministerial tasks shall not of themselves violate the terms of an agency relationship between a broker and a buyer, seller, tenant or landlord and shall not create an agency or transaction-broker relationship with the person being assisted.

E-34. A licensee must present all offers to purchase or lease to the owner's listing broker only if such owner has a written unexpired contract in connection with the sale or lease of real property which grants to the owner's listing broker an exclusive right to sell or lease.

E-35. Written disclosures pursuant to C.R.S. 12-61-808 shall be made to a buyer or tenant prior to engaging in activities enumerated in C.R.S. 12-61-101 (2) and (3).

- a. For purposes of this rule, such activities occur when a licensee elicits or accepts confidential information from a buyer or tenant concerning the buyer's or tenant's real estate needs, motivation, or financial qualifications.
- b. Such activities do not include a bona fide "open house" showing, preliminary conversations or "small talk" concerning price range, location and property styles, or responding to general factual questions from a potential buyer or tenant concerning properties which have been advertised for sale or lease.

E-36. Pursuant to 38-35-125, a real estate licensee who provides closing services shall not disburse funds or instruct an agent to disburse funds until those funds have been received and are either:

- (1) available for immediate withdrawal as a matter of right from the financial institution in which the funds have been deposited or
- (2) available for immediate withdrawal as a consequence of an agreement of a financial institution in which the funds are to be deposited or a financial institution upon which the funds are to be drawn. Such agreement with a financial institution must be for the benefit of the licensee providing the closing service. If the agreement contains contingencies or reservations no disbursements can be made until these are satisfied. (Statement of Basis and Purpose as adopted by the Real Estate Commission on October 5, 1988.)

E-37. There is no obligation for a licensee to prepare any legal documents as part of a real estate transaction. However, if a licensee or the licensee's agent prepares any legal document, the licensee or the licensee's agent may not charge a separate fee for preparation of such documents. A licensee shall not be responsible for fees charged for the preparation of legal documents where they are prepared by an attorney representing the purchaser or seller. Costs of closing not related to preparation of legal documents may be paid by the licensee or by any other person. A broker who closes transactions and charges separately for costs of closing not related to the preparation of legal documents must specify the costs and obtain the written consent of the parties to be charged.

E-38. Office Policy Contains Designation of Brokerage Relationship

For purposes of this rule, seller shall include landlord and buyer shall include tenant. Pursuant to CRS 12-61-802(1.5), an employing broker or employed broker must be designated in writing by the employing broker to serve as a single agent or transaction-broker for the seller or buyer. Employing brokers comply with the statute if they make such written designation, as appropriate to the broker's business, in an office policy that states:

1. **listing contracts by single individual:** that the individual broker entering into the listing contract is the seller's designated agent or designated transaction-broker, whichever is appropriate.
2. **right to buy or tenant contracts by individual:** that the individual broker entering into the right to buy or tenant contract is the buyer's designated agent or transaction broker, whichever is appropriate.
3. **listing contracts by teams:** that the individual team member(s) entering into the listing contract is the seller's designated agent or transaction-broker, whichever is appropriate, in which case that designation and brokerage relationship shall apply to all members of the team.

4. **right to buy or tenant contracts by teams:** that the individual team member(s) entering into the right to buy or tenant contract is the buyer's designated agent or transaction-broker, whichever is appropriate, in which case that designation and brokerage relationship shall apply to all members of the team.
5. **individuals or teams working with both buyer and seller:**
 - (a) that the individual(s) or team is a transaction-broker for both buyer and seller, or,
 - (b) that the individual(s) or team is a single agent for the seller or buyer, and that the other party is a customer.
6. **substitute or additional brokers:** that the employing broker reserves the right to substitute or add other designated brokers, as appropriate, which shall be disclosed to the buyer or seller.
7. **transaction broker - written disclosure:** that the broker working with a buyer or seller as a Transaction-Broker as a result of a written disclosure, is the designated broker for that buyer or seller.

E-39. Office brokerage relationship policy must be written

Pursuant to 12-61-803 and 808 C.R.S., a broker shall adopt a written office policy which identifies and describes the relationships in which such broker and any employed licensee may engage with any seller, landlord, buyer or tenant as part of any real estate brokerage activities. A broker may adopt any policy suitable to the broker's business, subject to the following:

- a. An office policy shall apply to all licensees in the office;
- b. An office policy shall be given and explained to each licensee and shall be read, agreed to and signed by each licensee;
- c. An office policy shall, in a manner compliant with Commission Rule E-38, identify the procedures for the designation of brokers who are to work with a seller, landlord, buyer or tenant pursuant to 12-61-803(6), C.R.S., except office policies of real estate brokerage firms that consist of only one licensed natural person.
- d. An office policy shall identify and provide adequate means and procedures for the maintenance and protection of confidential information that:
 - (1) The seller or landlord is willing to accept less;
 - (2) The buyer or tenant is willing to pay more;
 - (3) Information regarding motivating factors for the parties;
 - (4) Information that a party will agree to other financing terms;
 - (5) Material information about a party not required by law to be disclosed;
 - (6) Facts or suspicions which may psychologically impact or stigmatize a property;
 - (7) All information required to be kept confidential pursuant to sections 12-61-804(2), 12-61-804(2), 12-61 805(2) and 12-61-807(3), C.R.S.

- e. An office policy may permit an employing broker to supervise a transaction and to participate in the same transaction as a designated broker.

E-40. A broker shall not enter into a brokerage relationship with one party as an agent and the other party as a transaction broker. A broker who works with both the buyer and seller in the same real estate transaction may do so as (1) a Transaction-Broker for both buyer and seller (2) a single agent for the seller, treating the buyer as a customer or (3) a single agent for the buyer, treating the seller as a customer. These options shall be disclosed and made a part of the agreement between the parties to the listing contract, right to buy contract or tenant contract, whichever is appropriate.

E-41. Change of Status disclosure in writing

A broker engaged as an agent by both the buyer and seller in the same real estate transaction shall provide the written "Change of Status (Transaction-Brokerage Disclosure)" to both the Seller and Buyer, at the time the broker begins assisting the parties. For purposes of this rule, seller shall include landlord, and buyer shall include tenant.

E-42. When a real estate licensee prepares a competitive market analysis (cma) for any reason other than the anticipated sale or purchase of the property, the licensee must include a notice stating: "The preparer of this evaluation is not registered, licensed or certified as a real estate appraiser by the state of Colorado" .

E-43 This rule applies to residential transactions when a licensee personally measures real estate or provides information from another source of measurement. The licensee listing property is responsible for accurately representing any source of square footage.

(a) Licensee measurement . A licensee is not required to measure the square footage of a property. If the licensee takes an actual measurement it does not have to be exact, however, the licensee's objective must be to measure accurately and calculate competently in a manner that is not misleading, and:

- i. The standard, methodology or manner in which the measurement was taken must be disclosed;
- ii. The buyer and seller must be advised that the measurement is for purposes of marketing and is not a measurement for loan, valuation or any other purpose; and
- iii. The buyer and seller must be advised that if exact square footage is a concern, the property should be independently measured.

(b) Other sources of square footage . If a buyer or seller is provided information from another source for square footage, that source (whether an actual measurement, building plans, prior appraisals, assessors office, etc.) must be disclosed in writing by the licensee, in a timely manner, including date of issuance. Such disclosure must advise the recipient to verify the information. A licensee may not provide information to a person from a source known to be unreliable and is responsible for indications pointing to obvious mismeasurement by others.

(c) A licensee working with a buyer may rely on a representation of square footage by a listing broker, however, such licensee is responsible for indications of obvious mismeasurement by others.

E-44. Upon suspension, revocation, expiration or transfer of inactive status of a real estate license, the licensee is responsible for immediate compliance with the following:

- 1) Cease any activities requiring a license.
- 2) Return the license and pocket card to the Commission. If an employing broker, return the licenses of all employed licensees and inform such licensees of the action taken.
- 3) Cease all advertising, including but not limited to use of office signs, yard signs, billboards, newspapers, magazines, the internet, direct mailings, and multiple listing services.
- 4) Inform all owners, buyers and tenants of the action taken. If an employing broker, release all principals from any listings, management agreements, or other contractual obligations which require a license.
- 5) If an employing broker, ensure that all entrusted funds have been properly accounted for and/or that all closings are properly completed.
- 6) Commissions or fees may be received by licensees only for transactions where the commission or fees was earned prior to the suspension, revocation, expiration or transfer to inactive status.

E-45. A designated broker shall be permitted to reveal to a supervising broker, and a supervising broker shall be permitted to receive, confidential information as authorized by the informed consent of the party the designated broker(s) is assisting or working with, without changing or extending the designated brokerage relationship beyond the designated broker. A supervising broker, for purposes of this rule, is a broker performing the responsibilities set forth in rules E-30, 31 and 32. Confidential information includes the information referenced in sections 12-61-804 (2); 805 (2) and 807 (3) C.R.S.

F. Use of Commission Approved Forms

F-1. Permitted and Prohibited Form Modifications

- (a) No modifications shall be made to a Commission-approved form by a broker except as provided in rules promulgated by the Commission and as set forth in this Rule F-1 through F-7. For purposes of Rule F-1 through F-7, the term "Commission-approved form" means any form promulgated by the Commission; the term "broker" shall also include brokerage firm.
- (b) A broker may add its firm name, address, telephone, e-mail, trademark or other identifying information on a Commission-approved form.
- (c) Any deletion to the printed body of a Commission-approved form, or any "Additional Provision" or "Addenda" which by its terms serves to amend or delete portions of the approved language, must result from negotiations or the instruction(s) of the party(ies) to the transaction and must be made directly on the printed body of the form by striking through the amended or deleted portion in a legible manner that does not obscure the deletion that has been made.
- (d) Blank spaces on a Commission-approved form may be lengthened or shortened to accommodate the applicable data or information.
- (e) Provisions that are inserted into blank spaces must be printed in a style of type that clearly differentiates such insertions from the style of type used for the Commission-approved form language.
- (f) A broker may omit part or all of the following provisions of the "Contract to Buy and Sell Real

Estate", or corresponding provisions in other Commission-approved forms, if such provisions do not apply to the transaction. In the event any provision is omitted, the provision's caption or heading must remain unaltered on the form followed by the words "OMITTED AS INAPPLICABLE".

1. Subsection 3(e) and 3 (f) Parking and Storage Facilities and Water Rights
 2. Subsection 4 (b), (c) and (d) New Loan, Assumption and Seller Financing
 3. Section 5 Financing Conditions and Obligations
 4. Subsection 7 (d) Common Interest Community Governing Documents
 5. Subsection 8 (f) Right of First Refusal or Approval
 6. Section 9 Lead-Based Paint
 7. Section 15 (c) Association Assessments
- (g) A broker may omit part or all of the following provisions of the "Counterproposal" and the "Agreement to Amend/Extend Contract" if such provisions do not apply to the transaction. In the event any provision is omitted, the provision's caption or heading must remain unaltered on the form followed by the words "OMITTED AS INAPPLICABLE".
1. Subsection 2 (c) Dates and Deadlines table

F-2. Additional Provisions

- (a) The "Additional Provisions" section of a Commission-approved form must contain only those transaction-specific terms or acknowledgments that result from negotiations or the instruction(s) of the party(ies) to the transaction.
- (b) A broker who is not a principal party to the contract may not insert personal provisions, personal disclaimers or exculpatory language in favor of the broker in the "Additional Provisions" section of a Commission-approved form.

F-3 Addenda

- (a) If a broker originates or initiates the use of a preprinted or prepared addendum that modifies or adds to the terms of a Commission-approved contract form which does not result from the negotiations of the parties, such addendum must be prepared by:
 - (1) an attorney representing the broker or brokerage firm; or
 - (2) a principal party to the transaction; or
 - (3) an attorney representing a principal party.
- (b) An addendum permitted by this Rule F- 3 (a), shall not be included within the body of, or in the "Additional Provisions" section of, a Commission-approved form.
- (c) A broker who is not a principal party to the contract may not insert personal provisions, personal disclaimers or exculpatory language in favor of the broker in an addendum.
- (d) If an addendum is prepared by a broker's attorney, the following disclosure must appear on

each page of the addendum in the same sized type as the size of type used in the addendum: "This addendum has not been approved by the Colorado Real Estate Commission. It was prepared by (insert licensed name of broker or brokerage firm's) legal counsel."

- (e) If an addendum to a listing, tenant or right to buy contract, is prepared by a broker or brokerage firm, the following disclosure must appear on each page of the addendum in the same sized type as the size of type used in the addendum:

"This addendum has not been approved by the Colorado Real Estate Commission. It was prepared by (insert licensed name of broker or brokerage firm)."

F-4 Prohibited Provisions

No contract provision, including modifications permitted by Rules F-1 through F-3, shall relieve a broker from compliance with the real estate license law, section 12-61-101, et. seq., or the Rules of the Commission.

Pursuant to Rule E-12, when a written agreement contains a provision entitling the broker to a commission on a sale or purchase made after the expiration of the agreement, such provision must refer only to those persons or properties with whom or on which the broker negotiated during the term of the agreement, and whose names or addresses, were submitted in writing to the seller or buyer during the term of the agreement, including any extension thereof.

F-5 Explanation of Permitted Modifications

The broker shall explain all permitted modifications, deletions, omissions, insertions, additional provisions and addenda to the principal party and must recommend that the parties obtain expert advice as to the material matters that are beyond the expertise of the broker.

F-6 Commission-Approved Form Reproduction:

- (a) Commission-approved forms used by a broker, including permitted modification made by a broker, shall be legible.
- (b) Brokers generating Commission-approved forms through the use of a computer shall ensure that a security software program is utilized that prevents inadvertent change or prohibited modification of Commission-approved forms by the broker or other computer user.

F-7

Real estate brokers are required to use Commission-approved forms as appropriate to a transaction or circumstance to which a relevant form is applicable. In instances when the Commission has not developed an approved form within the purview of this rule, and other forms are used, they are not governed by Rule F. Other forms used by a broker shall not be prepared by a broker, unless otherwise permitted by law.

The following are the forms promulgated by the real estate commission and are within the purview of Rule F:

Note: It is mandatory for brokers to use these forms beginning January 1, 2006.

-	Listing Contracts	Form Number
	Exclusive Right-to-Sell	LC 50-04-05
a)	Listing Contract (All	

b)	Types of Properties) Exclusive Right-to-Buy Contract (All Types of Properties)	BC 60-04-05
c)	Exclusive Brokerage Listing Contract (All Types of Property)	LC53-04-05
d)	Open Listing Contract (All Types of Properties)	LC54-04-05
e)	Exclusive Right-to-Lease Listing Contract (All Types of Property)	LC57-04-05
f)	Exclusive Tenant Contract (All Types of Property)	ETC59-04-05
-	Sales Contracts	-
g)	Contract to Buy & Sell Real Estate (Residential)	CBS1-07-04
h)	Contract to Buy & Sell Real Estate (Commercial)	CBS2-07-04
i)	Contract to Buy & Sell Real Estate (Vacant Land- Farm-Ranch)	CBS3-07-04
-	Addendums to Contract	-
j)	Common Interest Community Addendum to Contract to Buy and Sell Real Estate	CIC32-05-04
k)	Licensee Buy-Out Addendum to Contract to Buy and Sell Real Estate (see footnote # 2)	LB36-05-04
l)	Exchange Addendum to Contract to Buy and Sell Real Estate	EX32-05-04
m)	Lead-Based Paint Disclosures (Sales)	LP45-05-04
n)	Lead-Based Paint Disclosures (Rentals)	LP46-05-04
o)	Inspection Notice	NTC43-05-04
p)	Brokerage Duties Addendum to Property Management Agreement	BDA55-04-05
-	Disclosure Documents	-
q)	Brokerage Disclosure to Buyer (see footnote # 3)	BD24-05-04

r)	Broker Disclosure to Seller (Sale by Owner) (see footnote # 3)	SD16-05-04
s)	Definitions of Working Relationships (see footnote # 3)	DD25-05-04
t)	Seller's Property Disclosure (Residential)	LC18-05-04
u)	Seller's Property Disclosure (Vacant Land)	LC38-05-04
v)	Change of Status	CS23-05-04
w)	Square Footage Disclosure	SF94-05-04
-	Counterproposal	-
x)	Counterproposal	CP40-05-04
-	Agreement to Amend/Extend Contract	-
y)	Agreement to Amend / Extend Contract	AE41-05-04
z)	Agreement to Amend / Extend Contract with Broker	AE42-05-04
-	Closings	-
aa)	Closing Instructions and Earnest Money Receipt	CL8-05-04
bb)	Statement of Settlement (see footnote # 1)	SS60-05-04
-	Exchange Contracts	-
cc)	Contract to Exchange Real Estate (Simultaneous Exchange)	EX30-05-04
-	Deeds of Trust	-
dd)	Deed of Trust (Due on Transfer-Strict)	TD 72-05-04
ee)	Deed of Trust (Due on Transfer-Credit worthy Restriction)	TD 73-05-04
ff)	Deed of Trust (Assumable-Not Due-on- Sale)	TD 74-05-04
-	Promissory Notes	-
gg)	Earnest Money Promissory Note	EMP80-05-04
hh)	Promissory Note for Deed of Trust (UCCC-No Default Rate)	NTD82-05-04

ii)

Promissory Note for Deed of Trust

NTD81-05-04

Footnotes:

(1) In lieu of using this form, Brokers may, use a statement of settlement that is in full compliance with Rule E-5.

(2) This form is to be used when a broker enters into a contract to purchase a property either: (a) concurrent with the listing of such property; or (b) as an inducement or to facilitate the property owner's purchase of another property; or (c) continues to market that property on behalf of the owner under an existing listing contract.

(3) It shall be permissible to use the language in a format approved by the Commission, or in a format applicable to the broker's written office policy. The broker may, in addition to the required brokerage disclosure form, use the document, Definitions of Working Relationships.

F-8 through F-19 Repealed effective 06/30/04 .

Form CBS 1-7-04, **CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL)** page 1
725-1_20040930_CBS1_p1'RESIDENTIA.jpg

29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

4. Attachments. The following are a part of this contract:

Note: The following disclosure items are attached but are not a part of this contract:

a. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable. The abbreviation "N/A" (mutual execution of the contract) means the latest date upon which both parties have signed this contract.

b. INCLUSIONS AND EXCLUSIONS. The Purchase Price includes the following items (Inclusions):

c. Exclusions. The following attached fixtures are excluded from the sale:

d. Personal Property. If the Property is sold, the Seller shall deliver to the Buyer, at the time of closing, the following personal property: (List items below)

e. Transfer of Personal Property. The Personal Property to be conveyed at Closing shall be conveyed, by Seller, free and clear of all taxes, (except personal property taxes for the year of closing), liens and encumbrances, except:

f. Parking and Storage Facilities. The Other Party, (Ownership of the following parking facilities), and the following storage facilities:

g. Water Rights. The following legally described water rights:

Any water rights shall be conveyed by _____, deed or other applicable legal instrument.

4. PURCHASE PRICE AND TERMS. The Purchase Price set forth below shall be payable in U. S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	1.4	Purchase Price		
2	1.4a	Escrow Money		
3	1.4b(1)	New First Loan		
4	1.4b(2)	New Second Loan		
5	1.4c	Assumption Balance		
6	1.4d	Seller as Private Financing		
7	1.4e	Cash at Closing		
8		TOTAL		

Note: If there is an assumption between the Purchase Price on the first page and this 1.4, the amount in 1.4 shall control.

a. Escrow Money. The Escrow Money set forth in this section, in the form of _____, is not present of the Purchase Price and shall be payable to the Seller by Buyer. The Escrow Money deposit shall be retained with this contract unless the parties mutually agree and set forth a different condition in the Addendum.

CH 1-7-04 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 1 of 11

75 setting for its payment. The parties authorize delivery of the Escrow Money deposit to the closing company, 76 if any, at or before Closing. In the event Escrow Money Holder has agreed to have interest on escrow money 77 deposits transferred to a fund established for the purpose of providing affordable housing in Colorado 78 counties, Seller and Buyer acknowledge and agree that any interest earnings on the Escrow Money deposited 79 with the Escrow Money Holder in this transaction shall be transferred to such fund.

b. New Loans.

(1) Conventional. If FHA, VA, or Other _____ (1st, 2nd, etc.) deed of trust.

This loan will be secured by a _____ which shall be amortized over a 79 period of _____ years at approximately _____ per month including principal and interest not 80 to exceed _____% per annum. If the loan is an adjustable interest rate or graduated payment loan, the 81 monthly payments and interest not initially shall not exceed the figure set forth above. 82 Loan discount points, if any, shall be paid to lender at Closing and shall not exceed _____% of the 83 total loan amount. Notwithstanding the loan's interest rate, the first _____ loan discount points shall be paid by 84 _____ and the balance, if any, shall be paid by _____.

Buyer shall timely pay Buyer's loan costs and a loan origination fee not to exceed _____% of the 85 loan amount. If the loan is an FHA/VA insured or guaranteed loan, Seller shall pay closing costs and then that 86 Buyer is not allowed to pay, in an amount not to exceed \$_____, for only the following items: deed 87 party document preparation, tax service, tax certificate and _____.

(2) New Second Loan. Buyer shall obtain a new loan set forth in this section as follows:

This loan will be secured by a _____ (2nd, etc.) deed of trust.

The total loan amount, not to exceed \$_____, shall be amortized over a 103 period of _____ years at approximately _____ per month including principal and interest not to 104 exceed _____% per annum. If the loan is an adjustable interest rate or graduated payment loan, the 105 monthly payments and interest not initially shall not exceed the figure set forth above. 106 Loan discount points, if any, shall be paid to lender at Closing and shall not exceed _____% of the 107 total loan amount. Notwithstanding the loan's interest rate, the first _____ loan discount points shall be paid by 108 _____ and the balance, if any, shall be paid by _____.

Buyer shall timely pay Buyer's loan costs and a loan origination fee not to exceed _____% of the 109 loan amount.

c. Assumption. Buyer agrees to assume and pay on existing loans in the approximate amount 112 of the Assumption Balance set forth in this section, presently payable at \$_____ per month 113 including principal, interest presently at _____% per annum, and also including escrow for the following as 114 indicated: ☐ Real Estate Taxes ☐ Property Insurance Premium ☐ Mortgage Insurance Premium and 115 _____.

Buyer agrees to pay a loan transfer fee not to exceed \$_____. At the time of 116 assumption, the new interest rate shall not exceed _____% per annum and the new monthly payment shall not 117 exceed \$_____. principal and interest, plus escrow, if any. If the actual principal balance of the 118 existing loan at Closing is less than the Assumption Balance, which equals the amount of each required item 119 Buyer at Closing to be assumed by more than \$_____, then ☐ Buyer May Terminate this contract 120 effective upon receipt by Seller of Buyer's written notice of termination or ☐ _____.

Seller ☐ Shall ☐ Shall Not be released from liability on said loan, and if a VA-guaranteed loan, 122 Seller's eligibility ☐ Shall ☐ Shall Not be released. If applicable, compliance with the requirements for 123 release from liability or reimbursement of eligibility shall be evidenced by delivery at Closing of an appropriate 124 letter of commitment from ☐ VA ☐ Lender. Cash payable for release of indebtedness of VA, 125 eligibility shall be paid by _____ in an amount not to exceed \$_____. 126

d. Seller as Private Financing. Buyer agrees to execute a promissory note payable to _____ 127 _____ on the note form as indicated. 128

Common ☐ Other ☐ Other _____ 129

☐ CCCC - No Default Rate NTD 12-5-04 ☐ Default Rate NTD 12-5-04 130

☐ Other _____ 131

Notwithstanding the foregoing, when the loan is indicated: ☐ Seller Due-Date (12-31-04) 132

☐ Creditworthy (12-31-04) ☐ Assumable - One Year On-Sale (12-31-04) ☐ Other _____ 133

The promissory note shall be amortized on the basis of _____ (5 Years) ☐ Months, payable at _____ 134

CH 1-7-04 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 1 of 11

136 5. _____ per month including principal and interest at the rate of _____ % per annum. Payments
137 shall commence _____ and shall be due on the _____ day of each succeeding month. If not
138 answered, the balance of principal and interest shall be due and payable _____
139 after Closing. Payments. C1 shall not be increased by 112 of estimated annual real estate taxes,
140 and C1 shall C1 shall not be increased by 112 of estimated annual property insurance premiums. The loan
141 shall also contain the following terms: (1) if any payment is not received within _____ calendar days after its due
142 date, a late charge of _____ % of each monthly payment shall be due; (2) interest under delinquency
143 shall be the sum of (a) _____ % per annum, (2) default interest rate shall be _____ % per annum, (3)
144 Buyer may prepay without a penalty _____ or during the term of the loan without penalty (C1) and (2) Buyer
145 shall not be required to prepay or during the term of the loan without penalty (C1) and (2) Buyer
146 granting the holder of the promissory note a _____ (144, 244, etc.) lien on the personal property included in
147 the sale.

148 Buyer C1 shall not provide a mortgage's title insurance policy, at Buyer's expense.
149 Cash at Closing. All amounts paid by Buyer at Closing including Cash at Closing, plus
150 Buyer's closing costs, shall be in funds which comply with all applicable Colorado laws, which include cash,
151 electronic transfer funds, certified check, money order and loan check and cashier's check (Cash/Funds).

152 5. FINANCING CONDITIONS AND OBLIGATIONS.
153 A. Loan Application. If Buyer is to pay all or part of the Purchase Price by obtaining a new
154 loan, or if an existing loan is not to be released at Closing, Buyer, if required by such lender, shall make a
155 verifiable application by Loan Application Deadline (244). Buyer shall cooperate with Seller and lender to
156 obtain loan approval, diligently and timely provide same in good faith, execute all documents and furnish all
157 information and documents required by lender, and, subject to 447(1) and (2) and 446, timely pay the costs of
158 obtaining such loan or lender consent. Buyer agrees to satisfy the reasonable requirements of lender, and
159 shall not withdraw the loan or assumption application, nor intentionally cause any change in circumstances
160 that would prejudice lender's approval of the loan application or funding of the loan. Buyer may obtain
161 different financing provided Seller incurs no additional delay, cost or expense, and provided Buyer is
162 approved for such substitution loan.

163 B. Loan Commitment. If Buyer is to pay all or part of the Purchase Price by obtaining a new
164 loan as specified in 446, this contract is conditional upon Buyer obtaining a written loan commitment. This
165 condition shall be deemed waived unless Seller receives from Buyer, no later than Loan Commitment
166 Deadline (244), written notice of Buyer's inability to obtain such loan commitment. If Buyer so notifies
167 Seller, this contract shall terminate. IF SELLER DOES NOT RECEIVE WRITTEN NOTICE TO
168 TERMINATE AND BUYER DOES NOT CLOSE, BUYER SHALL BE IN DEFAULT.
169 C. Critical Information. If there is a pay all or part of the Purchase Price by obtaining a new
170 promissory note to Buyer or Seller or if an existing loan is not to be released at Closing, this contract is
171 conditional upon Seller's approval of Buyer's financial ability and creditworthiness, which approval shall be at
172 Seller's sole and absolute discretion. As such term (1) Buyer shall supply to Seller in Buyer's Credit
173 Information Deadline (244), at Buyer's expense, information and documents concerning Buyer's financial,
174 employment and credit history; (2) Buyer consents that Seller may verify Buyer's financial ability and
175 creditworthiness (including obtaining a current credit report); (3) any such information and documents
176 received by Seller shall be held by Seller in confidence, and not released to anyone to whom Seller has
177 interest in this transaction; (4) if Seller does not provide written notice of Seller's disapproval to Buyer by
178 Disapproval of Buyer's Credit Deadline (244), then Seller waives this condition. If Seller does provide
179 written notice of disapproval to Buyer on or before said date, this contract shall terminate.

180 6. Existing Loan Review. If an existing loan is to be released at Closing, Seller shall
181 provide copies of the loan documents (including note, deed of trust, and any modifications) to Buyer by
182 Existing Loan Document Deadline (244). This contract is conditional upon Buyer's review and approval of
183 the provisions of such loan documents. If written notice of objection to such loan documents, signed by
184 Buyer, is not received by Seller by the Objective to Existing Loan Documents Deadline (244), Buyer
185 accepts the terms and conditions of the documents. If the lender's approval is not received by the Property is
186 required, this contract is conditional upon Buyer obtaining such approval without change in the terms of such
187 loan, except as set forth in 446. If lender's approval is not obtained by Approval of Loan Transfer
188 Deadline (244), this contract shall terminate on such date. If Seller is to be released from liability under such
189 existing loan or if Seller's VA eligibility is to be released and Buyer does not obtain such compliance as set
190 forth in 446, this contract may be terminated at Seller's option.

191 6. APPRAISAL PROVISIONS.
192 A. Appraisal Conditions.
193 (1) No Appraisal Condition. This subsection shall not apply.
194 (2) Appraisal Condition. If there is a pay all or part of the Purchase Price by obtaining a new
195 promissory note to Buyer or Seller or if an existing loan is not to be released at Closing, this contract is
196 conditional upon Seller's approval of Buyer's financial ability and creditworthiness, which approval shall be at
197 Seller's sole and absolute discretion. As such term (1) Buyer shall supply to Seller in Buyer's Credit
198 Information Deadline (244), at Buyer's expense, information and documents concerning Buyer's financial,
199 employment and credit history; (2) Buyer consents that Seller may verify Buyer's financial ability and
200 creditworthiness (including obtaining a current credit report); (3) any such information and documents
201 received by Seller shall be held by Seller in confidence, and not released to anyone to whom Seller has
202 interest in this transaction; (4) if Seller does not provide written notice of Seller's disapproval to Buyer by
203 Disapproval of Buyer's Credit Deadline (244), then Seller waives this condition. If Seller does provide
204 written notice of disapproval to Buyer on or before said date, this contract shall terminate.

205 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 4 of 11

206 Housing Commission, Veterans Administration, or a Direct Endorsement lender setting forth the agreed
207 value of the Property of not less than \$ _____. The Purchaser (Buyer) shall have the privilege
208 and option of proceeding with consummation of the contract without regard to the amount of the Property described
209 in this contract. The agreed valuation is subject to the maximum mortgage of Department of
210 Housing and Urban Development will insure. HUD does not warrant the value or the condition of the
211 Property. The Purchaser (Buyer) should satisfy himself/herself that the price and condition of the Property are
212 acceptable.

213 (3) VA. If Buyer is to pay the Purchase Price by obtaining a new VA guaranteed loan,
214 it is agreed that, notwithstanding any other provisions of this contract, Buyer shall not have any right to
215 rescind or terminate this contract or to be released from the purchase of the Property described
216 herein, if the contract Purchase Price or cost exceeds the reasonable value of the Property established by the
217 Veterans Administration. Buyer shall, however, have the privilege and option of proceeding with the
218 consummation of this contract without regard to the amount of the reasonable value established by the
219 Veterans Administration.

220 Other. Buyer shall have the right to rescind or terminate this contract if
221 the Purchase Price exceeds the Property valuation determined by an appraiser engaged by
222 the contract shall terminate by Buyer giving Seller written notice of termination and deliver a copy of such
223 appraisal or written notice to Seller by the Property valuation is less than the Purchase Price
224 received on or before Appraisal Deadline (244). If Seller does not receive such written notice of
225 termination on or before Appraisal Deadline (244), Buyer waives any right to rescind or terminate this
226 subsection.

227 B. Cost of Appraisal. Cost of any appraisal to be declined after the date of this contract shall
228 be borne by Buyer C1 Seller.

229 7. EVIDENCE OF TITLE.

230 A. Evidence of Title. On or before Title Deadline (244), Seller shall cause to be furnished to
231 Buyer, at Seller's expense, a current commitment for owner's title insurance policy (Title Commitment) in an
232 amount equal to the Purchase Price, or if this has been checked, C1 As Abstract of title certified to a current
233 date. At Seller's expense, Seller shall cause the title insurance policy to be issued and delivered to Buyer at
234 once as practicable or after Closing. If a title insurance commitment is furnished, C1 shall C1 shall not
235 consent to delete or insert into the recorded exception which relate to:
236 (1) parties to possession,
237 (2) recorded easements,
238 (3) survey matters,
239 (4) any recorded mechanic's lien,
240 (5) any recorded difference due to compliance to that deed is recorded, and
241 (6) unpaid loans, assessments and unperfected tax liens prior to the year of Closing.

242 Any other title differences due to compliance to that deed is recorded, and
243 unpaid loans, assessments and unperfected tax liens prior to the year of Closing.

244 B. Copies of Exceptions. On or before Title Deadline (244), Seller, at Seller's expense, shall
245 furnish to Buyer, C1 (1) a copy of any
246 plat, declaration, covenant, condition and restriction bounding the Property, and (2) if a title insurance
247 commitment is required to be furnished, and C1 this has been checked, C1 Copies of any Other Documents (as
248 defined, summaries of all documents) listed in the schedule of exceptions (Exceptions). Even if the list
249 is not checked, Seller shall have the obligation to furnish these documents pursuant to the substance of
250 Buyer's survey as set forth in the Document Request Deadline (244). This requirement shall
251 apply only to documents in the office of the clerk and recorder. The abstract or title
252 insurance commitment, together with any copies or summaries of such documents furnished pursuant to this
253 section, constitute the title documents (Title Documents).

254 C. Survey. On or before Survey Deadline (244) C1 Seller C1 Buyer shall cause Buyer and
255 the lender of the Title Commitment or the provider of the copies of title (as defined, to cause a current C1
256 Improved Survey Plat (Improvement Location Certificate).
257 The description certified to be correct (as Survey). An amount set to correct 5 _____ Survey shall
258 be paid by C1 Buyer C1 Seller. If the cost exceeds this amount, Buyer shall pay the entire cost on or before Closing
259 unless Buyer directs C1 Seller before Survey is ordered. Buyer's written notice allowing the exception for
260 survey matters.

261 D. Common Interest Community Governing Documents.
262 (1) Not Applicable. This subsection shall not apply.
263 (2) Conditional on Buyer's Review. Seller shall cause to be furnished to Buyer, at
264 Seller's expense, on or before Title Deadline (244) a current copy of the current governing documents (as
265 defined, rules and regulations, party wall agreements, minutes of most recent annual meeting) meeting and
266 minutes of any special meeting during the 12 month period immediately preceding the Title Deadline (244).
267 Seller shall not be required to provide a copy of the Title Commitment together with a copy of
268 the document adding any new Easements to title. If Seller does not receive Buyer's notice by the date
269 specified above, Buyer accepts the condition of title as disclosed by the Title Documents as a condition.

270 D. Seller's Matter Deadline (244) If Seller does not receive Buyer's notice by the date specified above, Buyer accepts the condition of title as disclosed by the Title Documents as a condition.

271 E. Survey Review. Buyer shall have the right to inspect Survey. If written notice by or on
272 behalf of Buyer of any unsatisfactory condition of Survey, notwithstanding 112, and 113, is not received by
273 Seller on or before Survey Objective Deadline (244) then such objection shall be deemed an unsatisfactory
274 title condition. If Seller does not receive Buyer's notice by Survey Objective Deadline (244), Buyer accepts
275 Survey as satisfactory.

276 F. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO
277 GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUE PRODUCER FROM ANNUAL
278 TAX LIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN
279 SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MELL LIEVES AND EXCESSIVE TAX
280 BURDENS TO SUPPORT THE SERVING OF SUCH DISTRICT WHERE CIRCUMSTANCES ARISE
281 RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS
282 WITHOUT SUCH AN INCREASE IN MELL LIEVES. BUYER SHOULD INVESTIGATE THE DEBT
283 STATUS OF ANY MANUFACTURING CONDITION DISCLOSED BY SELLER OR REVEALED BY SUCH INSPECTION, CONSIDERING 1
284 SELLER'S OBLIGATION TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
285 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
286 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
287 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
288 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
289 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
290 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
291 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
292 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
293 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
294 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
295 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
296 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
297 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
298 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
299 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
300 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.

301 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 4 of 11

302 "Financial Document", if any. Written notice of any manufacturing provision in any of these documents
303 signed by Buyer, or on behalf of Buyer, and given to Seller on or before Governing Documents Objective
304 Deadline (244), which is set as the same as Title Objective Deadline (244), shall terminate this contract. If
305 Seller does not receive such written notice from Buyer within such time, Buyer accepts the terms of said
306 documents, and Buyer's right to terminate this contract pursuant to this subsection is waived, notwithstanding
307 the provisions of 112.

308 F. Not Conditional on Review. Buyer acknowledges that Seller has delivered a
309 copy of the Closing Documents and Financial Documents. Buyer has reviewed them, agrees to accept the
310 benefits, obligations and restrictions that they impose upon the Property and its owners and agrees to accept the
311 terms of this contract due to the fact that Seller is providing the information of 112.

312 8. TITLE AND SURVEY REVIEW.

313 A. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by
314 Buyer of unsatisfactory title, fees or content of Title Commitment or of any other manufacturing title
315 condition shown by the Title Documents, notwithstanding 112, shall be signed by or on behalf of Buyer
316 given to Seller on or before Title Objective Deadline (244), or within five (5) calendar days after receipt by
317 Buyer of any change in the Title Documents or endorsement to the Title Commitment together with a copy of
318 the document adding any new Easements to title. If Seller does not receive Buyer's notice by the date
319 specified above, Buyer accepts the condition of title as disclosed by the Title Documents as a condition.

320 B. Matter not Shown by the Public Records. Seller shall deliver to Buyer, as or before
321 Objective Matter Deadline (244) true copies of all loans and surveys in Seller's possession pertaining to
322 the Property and shall disclose to Buyer all encumbrances, liens (including, without limitation, governmental
323 improvements, approved, but not yet installed) or other title matters (including, without limitation, rights of
324 first refusal, and options) not shown by the public records of which Seller has actual knowledge. Buyer shall
325 the description certified to be correct (as Survey). An amount set to correct 5 _____ Survey shall
326 be paid by C1 Buyer C1 Seller. If the cost exceeds this amount, Buyer shall pay the entire cost on or before Closing
327 unless Buyer directs C1 Seller before Survey is ordered. Buyer's written notice allowing the exception for
328 survey matters.

329 C. Survey Review. Buyer shall have the right to inspect Survey. If written notice by or on
330 behalf of Buyer of any unsatisfactory condition of Survey, notwithstanding 112, and 113, is not received by
331 Seller on or before Survey Objective Deadline (244) then such objection shall be deemed an unsatisfactory
332 title condition. If Seller does not receive Buyer's notice by Survey Objective Deadline (244), Buyer accepts
333 Survey as satisfactory.

334 D. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO
335 GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUE PRODUCER FROM ANNUAL
336 TAX LIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN
337 SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MELL LIEVES AND EXCESSIVE TAX
338 BURDENS TO SUPPORT THE SERVING OF SUCH DISTRICT WHERE CIRCUMSTANCES ARISE
339 RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS
340 WITHOUT SUCH AN INCREASE IN MELL LIEVES. BUYER SHOULD INVESTIGATE THE DEBT
341 STATUS OF ANY MANUFACTURING CONDITION DISCLOSED BY SELLER OR REVEALED BY SUCH INSPECTION, CONSIDERING 1
342 SELLER'S OBLIGATION TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
343 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
344 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
345 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
346 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
347 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
348 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
349 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.
350 SELLER SHALL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION TO BUYER ON OR BEFORE CLOSING DEADLINE 244.

351 In the event the Property is located within a special taxing district and Buyer desires to terminate this
352 contract as a result of a title condition, it is intended that Buyer or Seller (Other than Seller) terminate
353 Deadline (244), this contract shall not terminate. If Seller does not receive Buyer's notice by such date,
354 Buyer accepts the effect of the Property's location in such special taxing district and waives the right to
355 terminate.

356 C. Right to Object, Cure. Buyer's right to object shall include, but not be limited to those
357 matters listed in 112. If Seller receives notice of unacceptability of title or any other manufacturing title
358 condition or encumbrance shown as provided in subsections A, B, C, D, E, and F, above, Seller shall not be required
359 to correct said items and may have certain expense to correct the same prior to Closing. If such
360 unsatisfactory title condition is not corrected in Buyer's satisfaction on or before Closing, then the contract shall
361 terminate, provided, however, Buyer may, by written notice received by Seller on or before Closing,
362 waive objection to such items.

363 D. Right of First Refusal or Approval. If there is a right of first refusal on the Property, or a
364 right to approve this contract, Seller shall promptly submit this contract according to the terms and conditions
365 of such right. If the holder of the right of first refusal exercises such right or the holder of a right to approve
366 disagrees this contract, this contract shall terminate. If the right of first refusal is waived explicitly or
367 expires, or the contract is approved, then contract shall remain in full force and effect. Seller shall promptly

368 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 4 of 11

321 notify Buyer of the findings. If repairs or waiver of the right of first refusal or contract approval has not
322 occurred on or before the Right of First Refusal Deadline (1.26), this contract shall terminate.
323 **g. Title Adversity.** The Title Documents shall be title, comprehensive and not of the Property
324 and shall be reviewed carefully. Additionally, other matters not reflected in the Title Documents may affect
325 this, covering and use of the Property, including without limitation boundary lines and encumbrances,
326 use, zoning, deed restrictions and claims of ownership, lease and other contractual agreements, and
327 various laws and governmental regulations covering land use, development and environmental matters.
328 The surface estate may be owned separately from the underlying mineral estate, and transfer of the
329 surface estate may give Buyer the right to enter and use the Property. Third parties may hold
330 interests in oil, gas, other minerals, geothermal energy or water on or under the Property, which
331 interests may give them the right to enter and use the Property. If the physical condition of the
332 insurance policy. Buyer is advised to notify current legal counsel with respect to all such matters as then
333 exist prior to the closing of this contract (e.g., this Objectives Deadline (1.26) and Objectives Deadline
334 Objectives Deadline (1.26)).
335 **9. LEAD-BASED PAINT.** Unless exempt, if the improvements on the Property include one or more
336 residential dwellings for which a building permit was issued prior to January 1, 1978, this contract shall be
337 void unless a completed Lead-based Paint Disclosure (Sbds) form is signed by Seller and the required lead
338 paint inspection, which must occur prior to the parties signing this contract.
339 **10. PROPERTY DISCLOSURE, INSPECTION AND INDEMNITY; BUYER DISCLOSURE.**
340 On or before Seller's Property Disclosure Deadline (1.26), Seller agrees to provide Buyer with a Seller's
341 Property Disclosure form completed by Seller to the best of Seller's current actual knowledge.
342 **a. Inspection Objectives Deadline.** Buyer shall have the right to have inspection of the
343 physical condition of the Property and facilities, of Buyer's expense. If the physical condition of the
344 Property or facilities is satisfactory to Buyer's subjective discretion, Buyer shall, on or before Inspection
345 Objectives Deadline (1.26),
346 **(i)** notify Seller in writing that the contract is terminated, or
347 **(ii)** provide Seller with a written description of any unsatisfactory physical condition
348 which Buyer requires Seller to correct (Notice to Correct).
349 If within notice is not received by Seller on or before Inspection Objectives Deadline (1.26), the
350 physical condition of the Property and facilities shall be deemed to be satisfactory to Buyer.
351 **b. Remediation Deadline.** If a Notice to Correct is received by Seller and if Buyer and Seller
352 have not agreed in writing to a written Remediation Plan on or before Remediation Deadline (1.26), the contract shall
353 terminate one calendar day following the Remediation Deadline (1.26), unless before such termination Seller
354 receives Buyer's written withdrawal of the Notice to Correct.
355 **c. Indemnity.** This contract is conditioned upon Buyer's satisfaction, in Buyer's subjective
356 discretion, with the availability, terms, conditions and provisions for property insurance. The contract shall
357 terminate upon Seller's receipt, on or before Property Insurance Objectives Deadline (1.26) of Buyer's
358 written notice that such insurance was not satisfactory to Buyer. If such notice is not timely received, Buyer
359 shall have waived any right to terminate under this provision.
360 **d. Damages, Losses and Indemnity.** Buyer is responsible for payment for all inspections,
361 surveys, engineering reports or for any other work performed at Buyer's request and shall pay for any damage
362 which occurs to the Property and facilities as a result of such activities. Buyer shall and permit claims or
363 loss of third party against the Property for inspection, surveys, engineering reports and for any other work
364 performed on the Property at Buyer's request. Buyer agrees to indemnify, protect and hold Seller harmless
365 from and against any liability, damage, cost or expense incurred by Seller in connection with any such
366 inspection, claims or suit. The indemnity includes Seller's right to recover all costs and expenses incurred
367 by Seller in connection with the indemnity, including Seller's reasonable attorney and legal fees. The provisions of this
368 subsection shall survive the termination of this contract.
369 **Buyer Disclosures.** Buyer represents and agrees to Buyer (1.26) Does Not need to sell and
370 close a property to complete this transaction.
371 **Note:** Any property that is subject to a mortgage shall be subject to a mortgage (1.26) Does Not need to sell and
372 close a property to complete this transaction.
373 **f. Mortgage Law.** If the presence of a registered sex offender is a matter of concern to Buyer,
374 Buyer understands that Buyer must contact law enforcement officials regarding disclosing such
375 information.
376 **11. CLOSING.** Delivery of deed from Seller to Buyer shall be at closing (Closing). Closing shall be on
377 the date specified as Closing Date (1.26) or by mutual agreement at an earlier date. The time and place of
378 Closing shall be as mutually agreed.
379 **12. TRANSFER OF TITLE.** Subject to tender or payment at Closing as required herein and
380 compliance by Buyer with all other terms and provisions hereof, Seller shall execute and deliver a good and
381 sufficient deed, and to Buyer, at Closing, conveying the Property free and clear of all
382 liens except the general liens for the purpose of Closing. Except as provided herein, this shall be subject to the

CRS 1-746 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 7 of 11

383 and clear of all liens, including any governmental liens for special improvements levied on or for the use of
384 Buyer's signature hereto, whether assumed or not. Title shall be conveyed subject to:
385 **a. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
386 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
387 **b. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
388 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
389 **c. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
390 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
391 **d. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
392 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
393 **e. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
394 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
395 **f. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
396 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
397 **13. PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall be paid at or
398 before Closing from the proceeds of this transaction or from any other source.
399 **14. CLOSING COSTS, DOCUMENTS AND SERVICES.** Buyer and Seller shall pay, in Good
400 Faith, their respective Closing costs and all other items required to be paid at Closing, except as otherwise
401 provided herein. Buyer and Seller shall sign and complete all customary or reasonably required documents at
402 or before Closing. From the net sales proceeds of this transaction, the following shall be paid to Buyer and
403 One-half by Seller (1.26) Buyer (1.26) Seller (1.26) Buyer (1.26) Seller (1.26) Buyer (1.26) Seller (1.26)
404 **15. PRORATIONS.** The following shall be provided to Closing Date (1.26), except as otherwise
405 provided:
406 **a. Taxes.** Personal property taxes, if any, not paid and state taxes for the year of Closing,
407 based on (1.26) Taxes for the Calendar Year immediately Preceding Closing (1.26) Must Remain NBI Levy
408 and Must Remain Assessment (1.26) Other
409 **b. Rent.** From lease on (1.26) Rent Assessed Received (1.26) Assessed. Security deposits held
410 by Seller shall be credited to Buyer. Seller shall accept all losses to Buyer and Buyer shall assume such
411 losses.
412 **c. Association Assessments.** Current regular owners' association assessments and association
413 dues. Owners' association assessments paid in advance shall be credited to Seller at Closing. Cash reserves
414 held out of the regular owners' association assessments for deferred maintenance by the owners' association
415 shall not be credited to Seller except as may be otherwise provided by the Governing Documents. Any special
416 assessment levied by the owners' association for improvements that have been undertaken as of the date of
417 Buyer's signature on this contract shall be the obligation of Seller. Any other special assessments assessed prior to
418 Closing Date (1.26) by the owners' association shall be the obligation of (1.26) Buyer (1.26) Seller (1.26) Buyer (1.26) Seller (1.26)
419 **d. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
420 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
421 **e. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
422 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
423 **f. Items:** Specific Exemptions described by reference to recorded documents as reflected in the
424 Title Documents accepted by Buyer in accordance with (1.26) (Title Review).
425 **16. FORECLOSURE.** Possession of the Property shall be delivered to Buyer on Possession Date and
426 Possession Time (1.26), subject to the following terms and conditions:
427 **a. If Seller, after Closing, fails to deliver possession as specified, Seller shall be subject to eviction and
428 shall be additionally liable to Buyer for payment of \$_____ per day from the Possession Date (1.26) until
429 possession is delivered.**

CRS 1-746 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 8 of 11

430 Buyer (1.26) Does Not represent that Buyer will occupy the Property as Buyer's principal
431 residence.
432 **17. NOT ASSIGNABLE.** This contract shall not be assignable by Buyer without Seller's prior written
433 consent. If assigned without Seller's prior written consent, this contract shall be void and the assignee shall be
434 deemed to have assumed all obligations and liabilities of the assignor.
435 **18. INSURANCE, CONDITION OF, DAMAGE TO PROPERTY AND INCLUSIONS.** Except as
436 otherwise provided in this contract, the Property, inclusions or both shall be delivered in the condition
437 existing as of the date of this contract, ordinary wear and tear excepted.
438 **a. Casualty Insurance.** In the event the Property or inclusions shall be damaged by fire or
439 other casualty prior to Closing, in an amount of not more than ten percent of the total Purchase Price, Seller
440 shall be obligated to repair the damage before the Closing Date (1.26). In the event such damage is not repaired
441 within said time or if the damage exceeds such sum, this contract may be terminated at the option of Buyer by
442 delivering a letter within notice of termination. Should Buyer elect to carry on this contract despite such
443 damage, Buyer shall be entitled to a credit, at Closing, for all the insurance proceeds resulting from such
444 damage to the Property and inclusions payable to Seller but not the owner's association, if any, plus the
445 amount of any deductible provided for in such insurance policy, such credit not to exceed the total Purchase
446 Price.
447 **b. Damage, Inclusions and Services.** Should any inclusion or service (including systems and
448 components of the Property, e.g., heating, plumbing, etc.) fail or be damaged between the date of this contract
449 and Closing or possession, whichever date is earlier, then Seller shall be liable for the repair or replacement
450 of such inclusion or service with a unit of similar size, age and quality, or an equivalent credit, but only to the
451 extent that the maintenance or replacement of such inclusion, service or failure is not the responsibility of the
452 owner's association, if any, but any insurance proceeds received by Buyer covering such repair or
453 replacement. Seller and Buyer are aware of the existence of pre-owned home warranty programs that may be
454 purchased and may be the repair or replacement of some inclusions.
455 **c. Walk-through and Verification of Condition.** Buyer's open reasonable mind shall have
456 the right to walk through the Property prior to Closing to verify that the physical condition of the Property and
457 inclusions comply with:
458 **19. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this document, Buyer
459 and Seller acknowledge that the respective parties have obtained that this document has important legal
460 consequences and has recommended the examination of title and consultations with legal and tax or other
461 counsel before signing this contract.
462 **20. TIME OF REFERENCE, DEFAULT AND REMEDY.** Time is of the essence hereto. If any part
463 or clause hereof is not performed or is not performed on or before the time specified, then the time specified
464 shall be the time specified in the contract.
465 **a. If Buyer is in Default.**
466 **(i) Specific Performance.** Seller may elect to treat this contract as canceled, in which
467 case all payments and things of value received hereunder shall be forfeited and retained on behalf of Seller,
468 and Seller may recover such damages as may be proper, or Seller may elect to treat this contract as being in
469 full force and effect and Seller shall have the right to specific performance or damages, or both.
470 **(ii) Liquidated Damages.** All payments and things of value received hereunder shall
471 be retained by Seller and constitute an amount of liquidated damages and shall be retained by Seller and
472 obligation hereunder. It is agreed that such payments and things of value are LIQUIDATED DAMAGES and
473 (except as provided in this contract) are not SUBJECT TO AVOIDANCE BY ANY PARTY.
474 **b. If Seller is in Default.** Buyer may elect to treat this contract as canceled, in which case all
475 payments and things of value received hereunder shall be retained and Buyer may recover such damages as
476 may be proper, or Buyer may elect to treat this contract as being in full force and effect and Buyer shall have
477 the right to specific performance or damages, or both.
478 **c. Costs and Expenses.** In the event of any arbitration or litigation relating to this contract,
479 the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney
480 fees and legal fees.
481 **21. MEDIATION.** If a dispute arises relating to this contract, prior to or after closing, and is not
482 resolved, the parties shall first attempt to resolve the dispute in mediation. Mediation is a process
483 in which the parties meet with a impartial person who helps to resolve the dispute informally and
484 confidentially. Mediation cannot impose binding decisions. The parties to the dispute must agree before any
485 settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the
486 cost of such mediation. The mediation, unless otherwise agreed, shall commence in the event the entire dispute
487 is not resolved within 30 calendar days of the date written notice requesting mediation is sent by one party to the

CRS 1-746 CONTRACT TO BUY AND SELL REAL ESTATE (RESIDENTIAL) Page 9 of 11

72 (1) New First Loan. Buyer shall obtain a new loan set forth in this section as follows:
73 ☐ Conventional ☐ Other _____
74 This loan will be secured by a _____ (Hd, 2nd, etc.) deed of trust.
75 The total loan amount, not to exceed \$ _____, shall be amortized over a
76 period of _____ years at approximately _____ per month including principal and interest not
77 to exceed _____ % per annum, after if required by Buyer's lender, a monthly deposit of the estimated
78 annual net estate taxes and property insurance premium. If the loan is an adjustable interest rate or graduated
79 interest loan, the monthly payments and interest rate initially shall not exceed the figures set forth above.
80 Loan discount points, if any, shall be paid to lender at Closing and shall not exceed _____ % of the
81 total loan amount. Notwithstanding the loan's interest rate, the first _____ loan discount points shall be paid by
82 _____, and the balance, if any, shall be paid by _____.
83 Buyer shall timely pay Buyer's loan costs and a loan origination fee not to exceed _____ % of the
84 loan amount.
85 (2) New Second Loan. Buyer shall obtain a new loan set forth in this section as
86 follows:
87 This loan will be secured by a _____ (Hd, etc.) deed of trust.
88 The total loan amount, not to exceed \$ _____, shall be amortized over a
89 period of _____ years at approximately _____ per month including principal and interest not to
90 exceed _____ % per annum. If the loan is an adjustable interest rate or graduated payment loan, the
91 monthly payments and interest rate initially shall not exceed the figures set forth above.
92 Loan discount points, if any, shall be paid to lender at Closing and shall not exceed _____ % of the
93 total loan amount. Notwithstanding the loan's interest rate, the first _____ loan discount points shall be paid by
94 _____, and the balance, if any, shall be paid by _____.
95 Buyer shall timely pay Buyer's loan costs and a loan origination fee not to exceed _____ % of
96 the loan amount.
97 Assumption. Buyer agrees to assume and pay an existing loan in the approximate amount
98 of the Assumption Disclosure set forth in this section, presently payable at \$ _____ per month
99 including principal, interest presently at _____ % per annum, and also including reserve for the following as
100 indicated: ☐ Rent/Estate Taxes ☐ Property Insurance Premium and _____
101 Buyer agrees to pay a loan transfer fee not to exceed \$ _____. At the time of
102 assumption, the new interest rate shall not exceed _____ % per annum and the new monthly payment shall not
103 exceed \$ _____. principal and interest, plus reserve, if any. If the actual principal balance of the
104 existing loan at Closing is less than the Assumption Balance, which causes the amount of such required from
105 Buyer at Closing to be increased by more than \$ _____. Then ☐ Buyer May Terminate this contract by
106 effective upon receipt by Seller of Buyer's written notice of termination at ☐
107 Seller ☐ Buyer ☐ Buyer shall be released from liability on said loan. If applicable, compliance with
108 the requirements for release from liability shall be evidenced by delivery at Closing of an appropriate letter of
109 commitment from lender. Cost payable for release of liability shall be paid by _____, as
110 an amount not to exceed \$ _____.
111 d. Seller or Private Financing. Buyer agrees to execute a promissory note payable to:
112 Common ☐ Other _____ on the terms from as indicated:
113 ☐ DEED - No Definite Term (FD 15-50) ☐ Deed With Term (FD 15-60)
114 ☐ Other _____ (Hd, 2nd, etc.) deed of trust
115 ☐ Credit/Deed (TD 73-5-04) ☐ Assumable - Not Due On Sale (TD 78-50) ☐ Other _____
116 The promissory note shall be amortized on the basis of _____ (1 Year) (2 Months), payable at
117 _____ per month including principal and interest at the rate of _____ % per annum. Payment
118 shall commence _____ and shall be due on the _____ day of each succeeding month. If any
119 amount paid, the balance of principal and interest shall be due and payable
120 after Closing. Payment ☐ Buyer ☐ Seller ☐ Seller shall be increased by 1/12 of estimated annual net estate taxes,
121 and ☐ Buyer ☐ Seller shall be increased by 1/12 of estimated annual net estate taxes premium. The loan
122 shall also contain the following term: (1) if any payment is not received within _____ calendar days after
123 to the date, a late charge of _____ % of that monthly payment shall be due; (2) interest on under delinquency
124 under the deed of trust shall be _____ % per annum; (3) default interest rate shall be _____ % per annum; (4)
125 Buyer may prepay without a penalty except _____; (5) _____
126 Buyer ☐ Seller ☐ Seller shall receive and deliver, at Closing, a Security Agreement and UCC-1
127 Financing Document granting the lender of the promissory note a _____ (Hd, 2nd, etc.) lien on the real
128 property included in this sale.
129 Buyer ☐ Seller ☐ Seller shall not provide a company's title insurance policy, at Buyer's expense.

CRS 2-744 CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL) Page 3 of 18

130 a. Cash at Closing. All amount paid by Buyer at Closing including Cash at Closing, plus
131 Buyer's closing costs, shall be in funds which comply with all applicable Colorado laws, which include cash,
132 electronic transfer funds, certified check, savings and loan teller's check and cashier's check (Good Funds).
133 b. FINANCING CONTINGENCY AND OBLIGATIONS.
134 i. Loan Application. If Buyer is to pay all or part of the Purchase Price by obtaining a new
135 loan, and if a closing loan is not to be released at Closing, Buyer, if required by such lender, shall make a
136 verifiable application by Loan Application Deadline (12) to Buyer that complies with lender and lender
137 to obtain loan approval, diligently and timely pursue same to good faith, execute all documents and furnish all
138 information and documents required by lender, and, within 5 (5) (1) and (2), timely pay the cost of
139 obtaining such loan in full compliance. Buyer agrees to satisfy the reasonable requirements of lender, and
140 shall not withdraw the loan or assumption application, nor intentionally cause any change in circumstances
141 that would prejudice lender's approval of the loan application or funding of the loan. Buyer may obtain
142 different financing provided Seller agrees no additional debt, cost or expense, and provided Buyer is
143 approved for such additional loan.
144 ii. Loan Contingency. If Buyer is to pay all or part of the Purchase Price by obtaining a new
145 loan as specified in 1.4, this contract is conditional upon Buyer obtaining a loan commitment. This
146 condition shall be deemed waived unless Seller receives from Buyer, on or before Loan Contingency
147 Deadline (12), written notice of Buyer's inability to obtain such loan commitment. If Buyer on notice
148 Seller, this contract shall terminate. IF SELLER DOES NOT RECEIVE WRITTEN NOTICE TO
149 SELLER, THIS CONTRACT SHALL TERMINATE. IF SELLER DOES NOT RECEIVE WRITTEN NOTICE TO
150 SELLER, THIS CONTRACT SHALL TERMINATE.
151 c. Credit Information. If Buyer is to pay all or part of the Purchase Price by obtaining a new
152 promissory note as a loan of Seller or of a lending loan, and is to be released at Closing, this contract is
153 conditional upon Seller's review of Buyer's financial history and credit information. If Seller, on or before
154 Seller's review and assumption deadline, in such case: (1) Buyer shall apply to Seller by Buyer's Credit
155 Information Deadline (12), at Buyer's expense, to obtain a credit report; (2) Seller shall review and
156 employment and credit information; (3) Buyer consents that Seller may verify Buyer's financial ability and
157 creditworthiness (including a current credit report); (4) such information and documents
158 received by Seller shall be held by Seller in confidence, and not released to others except to protect Seller's
159 interest in this transaction; (5) if Seller does not provide written notice of Seller's disapproval to Buyer by
160 Disapproval of Buyer's Credit Deadline (12), then Seller waives this condition. If Seller does provide
161 written notice of disapproval to Buyer on or before said date, this contract shall terminate.
162 d. Existing Loan Review. If an existing loan is not to be released at Closing, Seller shall
163 provide copies of the loan document (including note, deed of trust, and any modifications to Buyer by
164 Existing Loan Document Deadline (12)). This contract is conditional upon Buyer's review and approval
165 of the provisions of such loan documents. If written notice of objection to such loan documents, signed by
166 Buyer, is not received by Seller by the Existing Loan Document Deadline (12), Buyer
167 accepts the terms and conditions of the documents. If the lender's approval of a transfer of the Property is
168 required, this contract is conditional upon Buyer obtaining such approval without change in the terms of the
169 loan, except as set forth in 1.4. If lender's approval is not obtained by Approval of Loan Transfer
170 Deadline (12), this contract shall terminate on such date. If Seller is to be released from liability, Seller shall
171 existing loan and Buyer does not obtain such compliance as set forth in 1.4; this contract may be terminated
172 at Seller's option.
173 e. APPRAISAL PROVISIONS. This subsection a ☐ Buyer ☐ Seller shall not apply.
174 Buyer shall have the sole option and decision to terminate this contract if the Purchase Price exceeds
175 the Property's estimated fair market value as determined by the _____ (1) a copy of any
176 appraisal by Buyer giving Seller written notice of termination and deliver a copy of such appraisal or written
177 notice from Seller that confirms the Property's value is less than the Purchase Price, received on or before
178 Appraisal Deadline (12). If Seller does not receive such written notice of termination on or before
179 Appraisal Deadline (12), Buyer waives any right to terminate this contract.
180 h. Cost of Appraisal. Cost of any appraisal to be obtained after the date of this contract shall
181 be timely paid by ☐ Buyer ☐ Seller.
182 f. EVIDENCE OF TITLE.
183 i. Evidence of Title. On or before Title Deadline (12), Seller shall cause to be furnished to
184 Buyer, at Seller's expense, a current certificate of ownership title insurance policy (Title Commitment) in an
185 amount equal to the Purchase Price, or if this has been checked, ☐ An Abstract of title certified to a current
186 date. At Seller's expense, Seller shall cause the title insurance policy to be issued and delivered to Buyer as
187 soon as practicable as or after Closing. If a title insurance commitment is furnished, a ☐ Buyer ☐ Seller shall
188 cause to deliver or cause to be delivered to Buyer the title insurance commitment.
189 (1) parties to transaction,
190 (2) unrecorded easements,
191 (3) unrecorded easements,
192 (4) unrecorded easements.

CRS 2-744 CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL) Page 4 of 18

201 (4) any unrecorded mechanic's lien,
202 (5) any unrecorded mechanic's lien,
203 (6) any unrecorded mechanic's lien,
204 Any additional premium expense to obtain this additional coverage shall be paid by ☐ Buyer ☐
205 Seller.
206 h. Copies of Documents. On or before Title Deadline (12), Seller, at Seller's expense, shall
207 furnish to Buyer and _____
208 plan, declaration, covenant, condition and restrictions binding the Property, and (2) a copy of any
209 commitment is required to be furnished, and if this has been checked, ☐ Copies of any Other Documents (as
210 if applicable, comments and documents) listed in the schedule of exceptions (Exceptions). Then if the loan
211 is not closed, Seller shall have the obligation to furnish these documents pursuant to this subsection if
212 requested by Buyer any time on or before Document Request Deadline (12). This requirement shall
213 prima facie constitute a defense of record in the event of the title and records. The absence of this
214 insurance commitment, together with any copies or summaries of such documents furnished pursuant to this
215 section, constitute the title documents (Title Documents).
216 i. Survey. If, on or before Survey Deadline (12), ☐ Buyer ☐ Seller shall cause Buyer and
217 the owner of the Title Commitment or the provider of the copies of Title to be released, to receive a current ☐
218 Improvement Survey. If the Improvement Survey Certificate ☐ _____
219 (the description checked is known as Survey). An amount not to exceed \$ _____ for Survey shall be
220 paid by ☐ Buyer ☐ Seller. If not recorded this amount, _____ shall pay the
221 entire cost on or before Closing.
222 k. TITLE AND SURVEY REVIEW.
223 i. Title Review. Buyer shall have the right to inspect the Title Documents. Written notice by
224 Buyer of unavailability of title, then or review of Title Commitment or of any other satisfactory title
225 condition shown by the Title Documents, notwithstanding (12), shall be signed by or on behalf of Buyer and
226 given to Seller on or before Title Objection Deadline (12), within five (5) calendar days after receipt by
227 Buyer of any change to the Title Documents or endorsement to the Title Commitment together with a copy of
228 the document adding or new Exception to title. If Seller does not receive Buyer's notice by the date
229 specified above, Buyer accepts the condition of title as disclosed by the Title Documents as satisfactory.
230 h. Matters and Shows by the Public Records. Seller shall deliver to Buyer, on or before
231 Off-Record Matters Deadline (12) two copies of all laws and surveys in Seller's possession pertaining to
232 the Property and shall disclose to Buyer all encumbrances, liens (including, without limitation, governmental
233 improvement approval, but not yet landlocked or other title matters (including, without limitation, right of
234 first refusal, and easements) not shown by the public records of which Seller has actual knowledge. Buyer shall
235 have the right to inspect the Property to determine if any third party has any right in the Property not shown by
236 the public records (such as an unrecorded easement, unrecorded lien, or boundary line discrepancy). Written
237 notice of any unavailability condition indicated by Seller is provided by such inspection, received by Seller
238 12, shall be signed by or on behalf of Buyer and given to Seller on or before Off-Record Matters Objection
239 Deadline (12). If Seller does not receive Buyer's notice by said date, Buyer accepts title subject to such
240 rights, if any, of third parties of which Buyer has actual knowledge.
241 Survey Review. Buyer shall have the right to inspect Survey. If written notice by or on
242 behalf of Buyer of any unsatisfactory condition shown by Survey, notwithstanding (12) or (12), is received by
243 Seller on or before Survey Objection Deadline (12) from such objection shall be deemed an unsatisfactory
244 title condition. If Seller does not receive Buyer's notice by Survey Objection Deadline (12), Buyer accepts
245 Survey as satisfactory.
246 j. Special Taxing Districts. SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO
247 GENERAL OBLIGATION INTERESTS THAT IS PAID BY BUYERS PROVIDED FROM ANNUAL
248 TAX RATES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN
249 SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX
250 BURDENS TO SUPPORT THE SHOVING OF SUCH DISTRICT WHERE CIRCUMSTANCES ARE
251 RESULTING IN THE DRAINING OF SUCH A DISTRICT TO DISBURSE SUCH INTERESTS
252 WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYER SHOULD INVESTIGATE THE DEBT
253 FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INTERESTS OF
254 SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT, SHOVING SUCH INTERESTS,
255 AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.
256 In the event the Property is located within a special taxing district and Buyer becomes subject to this
257 contract as a result, if written notice is received by Seller on or before Off-Record Matters Objection
258 Deadline (12), this contract shall then terminate. If Seller does not receive Buyer's notice by such date,
259 Buyer accepts the effect of the Property's inclusion in such special taxing district and waives the right to
260 terminate.
261 k. Right to Object, Cure. Buyer's right to object that includes, but not be limited to the
262 terms listed in 1.12. If Seller receives notice of unavailability of title or any other unsatisfactory title
263 condition, Seller shall have the right to cure the title condition within the time specified in this section.

CRS 2-744 CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL) Page 5 of 18

received by Seller or Listing Brokerage Firm.
b. Electronic Delivery. As an alternative to physical delivery, any signed document and
writing notice may be delivered in electronic form by the following indicated methods only: ☐ Facsimile ☐
E-mail ☐ Text. Documents with original signatures shall be provided upon request of any party.
c. Choice of Law. This contract and all dispute arising hereunder shall be governed by and
construed in accordance with the laws of the state of Colorado that would be applicable to Colorado residents
who sign a contract in this state for property located in Colorado.
21. NOTICE OF ACCEPTANCE, CONTINGENCIES. This proposal shall require notice accepted in
writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of
acceptance pursuant to § 38 as a before Acceptance Deadline Date (1) or Acceptance Deadline Time
(1) (b). If accepted, this document shall become a contract between Seller and Buyer. A copy of this
document may be retained by each party, separately, and when each party has executed a copy thereof, such
copies when together shall be deemed to be a full and complete contract between the parties.
Date: _____ Date: _____
Buyer: _____ Buyer: _____
Address: _____ Address: _____
Phone No.: _____ Phone No.: _____
Fax No.: _____ Fax No.: _____
(NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 28)
Date: _____ Date: _____
Seller: _____ Seller: _____
Address: _____ Address: _____
Phone No.: _____ Phone No.: _____
Fax No.: _____ Fax No.: _____
28. COUNTER, REJECTION. This offer is ☐ Countered ☐ Rejected.
Initials only of party (Buyer or Seller) who countered or rejected offer _____
END OF CONTRACT
(Note: Closing Instructions and Earnest Money Receipt should be signed on or before Title Deadline (1)
29)
BROKER ACKNOWLEDGMENTS. The undersigned Brokers acknowledge receipt of the Earnest Money
deposit specified in § 4 and, while not parties to the contract, agree to cooperate upon request with any
mediation conducted under 17.
The Selling Broker is a ☐ Buyer's Agent ☐ Transaction-Broker in this transaction.
The Listing Broker is a ☐ Seller's Agent ☐ Transaction-Broker in this transaction.
BROKERS' COMPENSATION DISCLOSURE.
Selling Brokerage Firm's compensation or commission is to be paid by ☐ Listing Brokerage Firm
☐ Buyer ☐ Other _____
(To be completed by Listing Broker) Listing Brokerage Firm's compensation or commission is to be paid by:
☐ Seller ☐ Buyer ☐ Other _____

CBS 3-544 CONTRACT TO BUY AND SELL REAL ESTATE (COMMERCIAL) Page 9 of 10

Selling Brokerage Firm's Name: _____
Date: _____ Broker
Address: _____
Phone No.: _____ Fax No.: _____
Listing Brokerage Firm's Name: _____
Date: _____ Broker
Address: _____
Phone No.: _____ Fax No.: _____

Form CBS 3-7-04, CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND – FARM – RANCH) page 1 725_1_20040930_CBS3_p1'VACANT LAND – FARM – RANC.jpg

Item No.	Reference	Item	Amount	Amount
1	§ 4	Purchase Price	\$	\$
2	§ 4a	Earnest Money	\$	\$
3	§ 4(c)	New First Loan	\$	\$
4	§ 4(c)	New Second Loan	\$	\$
5	§ 4c	Adjustable Balance	\$	\$
6	§ 4d	Seller or Private Financing	\$	\$
7			\$	\$
8			\$	\$
9	§ 4e	Cash at Closing	\$	\$
10		TOTAL	\$	\$

Note: If there is an inconsistency between the Purchase Price on the first page and this § 4, the amount in § 4 shall control.

CBS 3-544 CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND – FARM – RANCH)
Page 2 of 10

CBS 3-7-94 CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND - FARM - RANCH)
Page 3 of 10

CBS 3-7-64 CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND - FARM - RANCH)
Page 4 of 10

230 paid by ☐ Buyer ☐ Seller. If the cost exceeds this amount, _____ shall pay
231 excess on or before Closing.

CBS 3-7-84 CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND - FARM - RANCH)
Page 5 of 10

CBS 3-7-84 CONTRACT TO BUY AND SELL REAL ESTATE (VACANT LAND - FARM - RANCH)
Page 5 of 10

419 Money Holder shall not be required to take any action. Earnest Money Holder may await any proceeding, or
420 as in option and sale document, transferred all parties and deposit any money or things of value into a court of
421 competent jurisdiction and shall receive court costs and reasonable attorney and legal fees.
422 23. TERMINATION. In the event this contract is terminated, all payments and things of value received
423 hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to
424 §§ 104, 21 and 22.
425 24. ADDITIONAL PROVISIONS. (The following additional provisions have not been approved by
426 the Colorado Real Estate Commission.)
427
428
429
430 25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL. This agreement constitutes the entire
431 contract between the parties relating to the subject hereof, and any prior agreements, promises, threats,
432 whether oral or written, have been merged and integrated into this contract. No subsequent modification, or
433 any of the terms of this contract shall be valid, binding upon the parties, or constitute a basis for rescission or
434 modification of this contract. Any obligation in this contract not, by its terms, is intended to be performed after
435 execution of this contract shall survive the contract.
436 26. NOTICE, DELIVERY AND CHOICE OF LAW.
437 a. Physical Delivery. Except for the notice requesting modification described in § 21, and
438 except as provided in § 108 below, all notices must be in writing. Any notice to Buyer shall be effective
439 when received by Buyer or by Listing Brokerage Firm, and any notice to Seller shall be effective when
440 received by Seller or Listing Brokerage Firm.
441 b. Electronic Delivery. As an alternative to physical delivery, any signed document and
442 written notice may be delivered in electronic form by the following indicated methods only: ☐ Facsimile ☐
443 E-mail ☐ Text. Documents with original signatures shall be provided upon request of any party.
444 c. Choice of Law. This contract and all dispute arising hereunder shall be governed by and
445 construed in accordance with the laws of the State of Colorado that would be applicable to Colorado residents
446 who sign a contract in this state for property located in Colorado.
447 27. NOTICE OF ACCEPTANCE, COUNTERPARTS. This proposal shall expire unless accepted in
448 writing, by Buyer and Seller, as evidenced by their signatures below, and the offering party receives notice of
449 acceptance pursuant to § 24 or as before Acceptance Deadline (Date § 24) and Acceptance Deadline Time
450 (Time § 24). If accepted, the document shall become a contract between Seller and Buyer. A copy of this
451 document may be executed by each party, separately, and when each party has executed a copy thereof, such
452 copies taken together shall be deemed to be a full and complete contract between the parties.
453
454
455
456 Date: _____ Date: _____
457
458 Buyer _____ Buyer _____
459 Address: _____ Address: _____
460 Phone No.: _____ Phone No.: _____
461 Fax No.: _____ Fax No.: _____
462
463 [NOTE: If this offer is being countered or rejected, do not sign this document. Refer to § 28]
464
465 Date: _____ Date: _____
466
467 Seller _____ Seller _____
468 Address: _____ Address: _____
469 Phone No.: _____ Phone No.: _____
470 Fax No.: _____ Fax No.: _____
471
472 28. COUNTER, REJECTION. This offer is ☐ Countered ☐ Rejected.
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489

490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596

500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596

Form BC 60-04-05, EXCLUSIVE RIGHT-TO-BUY CONTRACT (ALL TYPES OF PROPERTIES) page 1 725_1_20050630_BC60_p1/ALL TYPES OF PROPERTIE.jpg

50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96

d. **Property.** Property means real estate that substantially meets the following requirements
or similar real estate acceptable to Buyer: _____

e. **Purchase.** Purchase means the acquisition of any interest in the Property or the creation
of the right to acquire any interest in the Property (including a contract or lease). It also includes an
agreement to acquire any ownership interest in an entity that owns the Property.

f. **Term.** The Term of this contract shall begin on _____, and
shall continue through the earlier of (1) completion of the Purchase of the Property or (2) _____, and
compensation is payable to Brokerage Firm under § 8 of this contract.

g. **Applicability of Terms.** A check or similar mark in a box means that such provision is
applicable. The abbreviation "N/A" means not applicable. The abbreviation "MEC" (mutual execution
of this contract) means the latest date upon which the parties have signed this contract.

4. **BROKERAGE SERVICES AND DUTIES.** Brokerage Firm, acting through Broker, shall
provide brokerage services to Buyer. Broker, acting as either a Transaction-Broker or a Buyer's Agent,
shall perform the following **Uniform Duties** when working with Buyer:

a. Broker shall exercise reasonable skill and care for Buyer, including but not limited to the
following:
(1) Performing the terms of any written or oral agreement with Buyer;
(2) Presenting all offers to and from Buyer in a timely manner regardless of whether
Buyer is already a party to a contract to Purchase the Property;
(3) Disclosing to Buyer adverse material facts actually known by Broker;
(4) Advising Buyer regarding the transaction and to obtain expert advice as to
material matters about which Broker knows but the specifics of which are beyond the
expertise of Broker;
(5) Accounting in a timely manner for all money and property received; and
(6) Keeping Buyer fully informed regarding the transaction.

b. Broker shall not disclose the following information without the informed consent of
Buyer:
(1) That Buyer is willing to pay more than the purchase price offered for the Property;
(2) What Buyer's motivating factors are;
(3) That Buyer will agree to financing terms other than those offered;
(4) Any material information about Buyer unless disclosure is required by law or
failure to disclose such information would constitute fraud or dishonest dealing;
or
(5) Any facts or suspicions regarding circumstances that could psychologically impact
or stigmatize the Property.

c. Buyer consents to Broker's disclosure of Buyer's confidential information to the
supervising broker or designee for the purpose of proper supervision, provided such supervising broker

97 or designee shall not further disclose such information without consent of Buyer, or use such
98 information to the detriment of Buyer.
99
100 d. Broker may show properties in which the Buyer is interested to other prospective buyers
101 without breaching any duty or obligation to such Buyer. Broker shall not be prohibited from showing
102 competing buyers the same property and from assisting competing buyers in attempting to purchase a
103 particular property.
104
105 e. Broker shall not be obligated to seek other properties while Buyer is already a party to a
106 contract to purchase property.
107
108 f. Broker has no duty to conduct an independent inspection of the Property for the benefit of
109 Buyer and has no duty to independently verify the accuracy or completeness of statements made by a
110 seller or independent inspectors. Broker has no duty to conduct an independent investigation of Buyer's
111 financial condition or to verify the accuracy or completeness of any statement made by Buyer.
112
113 g. Broker shall disclose to any prospective seller all adverse material facts actually known
114 by Broker, including but not limited to adverse material facts concerning Buyer's financial ability to
115 perform the terms of the transaction and whether Buyer intends to occupy the Property as a principal
116 residence.
117
118 h. Buyer shall not be liable for the acts of Broker unless such acts are approved, directed or
119 ratified by the Buyer.
120
121 5. **ADDITIONAL DUTIES OF BUYER'S AGENT.** If the Buyer Agency box at the top of page
122 1 is checked, Broker is a limited agent of Buyer, with the following additional duties:
123
124 a. Promoting the interests of Buyer with the utmost good faith, loyalty and fidelity.
125
126 b. Seeking a price and terms that are acceptable to Buyer.
127
128 c. Counseling Buyer as to any material benefits or risks of a transaction that are actually
129 known by Broker.
130
131 6. **BROKERAGE RELATIONSHIP.**
132
133 a. If the Buyer Agency box at the top of page 1 is checked, Broker shall represent Buyer as
134 a Buyer's Agent. If the Transaction-Brokerage box at the top of page 1 is checked, Broker shall act as a
135 Transaction-Broker.
136
137 b. **In-Company Transaction – Different Brokers.** When the seller and Buyer in a
138 transaction are working with different brokers, those brokers continue to conduct themselves consistent
139 with the brokerage relationships they have established. Buyer acknowledges that Brokerage Firm is
140 allowed to offer and pay compensation to brokers within Brokerage Firm working with a seller.
141
142 c. **In-Company Transaction – One Broker.** If the seller and Buyer are both working with
143 the same broker, Broker shall function as:
144

No. BC40-04-05 EXCLUSIVE RIGHT-TO-BUY CONTRACT (All Types of Properties) Page 3 of 8

145 (1) **BUYER'S AGENT.** If the Buyer Agency box at the top of page 1 is checked, the
146 parties agree the following applies:
147
148 **Check One Box Only**
149
150 ☐ (a) **Buyer Agency.** If this box is checked, Broker shall represent Buyer as
151 Buyer's Agent and shall treat the seller as a customer. A customer is a party to a transaction with whom
152 Broker has no brokerage relationship. Broker shall disclose to such customer Broker's relationship with
153 Buyer.
154
155 ☐ (b) **Buyer Agency Unless Brokerage Relationship with Both.** If this box is
156 checked, Broker shall represent Buyer as Buyer's Agent and shall treat the seller as a customer, unless
157 Broker currently has or enters into an agency or Transaction-Brokerage relationship with the seller, in
158 which case Broker shall act as a Transaction-Broker, performing the duties described in § 4 and
159 facilitating purchase transactions without being an advocate or agent for either party.
160
161 (2) **TRANSACTION-BROKER.** If the Transaction-Brokerage box at the top of
162 page 1 is checked, or in the event neither box is checked, Broker shall work with Buyer as a
163 Transaction-Broker. If the seller and Buyer are working with the same broker, Broker shall continue to
164 function as a Transaction-Broker.
165
166 7. **BUYER'S OBLIGATIONS TO BROKER.** Buyer agrees to conduct all negotiations for the
167 Property only through Broker, and to refer to Broker all communications received in any form from real
168 estate brokers, prospective sellers, or any other source during the Term of this contract. Buyer represents
169 that Buyer ☐ Is ☐ Is Not currently a party to any agreement with any other broker to represent or assist
170 Buyer in the location or purchase of property.
171
172 8. **COMPENSATION TO BROKERAGE FIRM.** In consideration of the services to be
173 performed by Broker, Brokerage Firm shall be paid as set forth in this section, with no discount or
174 allowance for any efforts made by Buyer or any other person. Brokerage Firm shall be entitled to receive
175 additional compensation, bonuses, and incentives paid by listing brokerage firm or seller. Broker shall
176 inform Buyer of the fee to be paid to Brokerage Firm and, if there is a written agreement, Broker shall
177 supply a copy to Buyer, upon written request of Buyer.
178
179 a. **Check Compensation Arrangement:**
180
181 ☐ (1) **Success Fee.** Brokerage Firm shall be paid as follows:
182
183 (a) **Amount.** A fee equal to _____ % of the purchase price, but not less than
184 \$ _____, except as provided in subsection 8a(1)(b).
185
186 (b) **Adjusted Amount.** ☐ See Section 17, Additional Provisions or
187 ☐ Other, _____
188
189 (c) **Earned.** The Success Fee is earned by the Brokerage Firm upon the Purchase of
190 the Property and is payable upon closing of the transaction. If any transaction fails to close as a result of
191 the seller's default, with no fault on the part of Buyer, the Success Fee shall be waived. If any
192 transaction fails to close as a result of Buyer's default, in whole or in part, the Success Fee shall not be
193

No. BC40-04-05 EXCLUSIVE RIGHT-TO-BUY CONTRACT (All Types of Properties) Page 4 of 8

194 waived; such fee shall be payable upon Buyer's default, but in any event not later than the date that the
195 closing of the transaction was to have occurred.

196
197 (d) **Holdover.** This fee shall apply to Property contracted for during the Term of this
198 contract or any extensions and shall also apply to Property contracted for within _____ calendar days
199 after this contract expires or is terminated (Holdover Period) if the Property is one on which Broker
200 negotiated and if Broker submitted its address or other description in writing to Buyer during the Term.
201 However, if a commission is earned by another real estate brokerage firm acting pursuant to an exclusive
202 agreement with Buyer entered into during the Holdover Period, Buyer shall owe no commission to
203 Broker under subsection 8a(1).

204
205 ☐ (2) **Hourly Fee.** Buyer shall pay Brokerage Firm \$ _____ per hour for time spent by Broker
206 pursuant to this contract, up to a maximum total fee of \$ _____. This hourly fee shall be paid to
207 Brokerage Firm upon receipt of an invoice from Brokerage Firm.

208
209 ☐ (3) **Retainer Fee.** Buyer shall pay Brokerage Firm a nonrefundable retainer fee of \$ _____
210 due and payable upon signing of this contract. This amount ☐ Shall ☐ Shall Not be credited against
211 other fees payable to Brokerage Firm under this section.

212
213 ☐ (4) **Other Compensation:** _____
214 _____

215
216 b. **Check Who Will Pay Compensation:**

217
218 ☐ (1) **Buyer Will Pay.** Buyer shall be obligated to pay the Brokerage Firm's fee as described
219 above in subsection 8a.

220
221 ☐ (2) **Listing Brokerage Firm or Seller May Pay. Buyer IS Obligated to Pay.** Broker is
222 authorized and instructed to request payment of the Brokerage Firm's fee from the listing brokerage firm
223 or seller. Buyer shall be obligated to pay any portion of Brokerage Firm's fee as described above in
224 subsection 8a which is not paid by the listing brokerage firm or seller.

225
226 ☐ (3) **Listing Brokerage Firm or Seller May Pay. Buyer is NOT Obligated to Pay.** Broker
227 is authorized to obtain payment of the Brokerage Firm's fee from the listing brokerage firm or seller.
228 Buyer shall not be obligated to pay Brokerage Firm's fee.

229
230 9. **LIMITATION ON THIRD-PARTY COMPENSATION.** Neither Broker nor Brokerage Firm,
231 except as set forth in § 8, shall accept compensation from any other person or entity in connection with
232 the Property without the written consent of Buyer. Additionally, neither Broker nor Brokerage Firm
233 shall be permitted to assess and receive mark-ups or other compensation for services performed by any
234 third party or affiliated business entity unless Buyer signs a separate written consent for such services.

235
236 10. **COSTS OF SERVICES OR PRODUCTS OBTAINED FROM OUTSIDE SOURCES.**
237 Broker will not obtain or order products or services from outside sources unless Buyer has agreed to pay
238 for them promptly when due (examples: surveys, radon tests, soil tests, title reports, engineering studies,
239 property inspections). Neither Broker nor Brokerage Firm shall be obligated to advance funds for Buyer.
240 Buyer shall reimburse Brokerage Firm for payments made by Brokerage Firm for such products or
241 services authorized by Buyer.
242

243
244 11. **SHOWING PROPERTIES.** Buyer acknowledges that Broker has explained the possible
245 methods used by listing brokers and sellers to show properties, and the limitations (if any) on Buyer and
246 Broker being able to access properties due to such methods. Broker's limitations on accessing properties
247 are as follows: _____. Broker, through Brokerage Firm, has access to the
248 following multiple listing services and property information services: _____
249 _____

250
251 12. **DISCLOSURE OF BUYER'S IDENTITY.** Broker ☐ Does ☐ Does Not have Buyer's
252 permission to disclose Buyer's identity to third parties without prior written consent of Buyer.

253
254 13. **NONDISCRIMINATION.** The parties agree not to discriminate unlawfully against any
255 prospective seller because of the race, creed, color, sex, marital status, national origin, familial status,
256 physical or mental handicap, religion or ancestry of such person.

257
258 14. **RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this document,
259 Buyer acknowledges that Broker has advised that this document has important legal consequences and
260 has recommended consultation with legal and tax or other counsel before signing this contract.

261
262 15. **MEDIATION.** If a dispute arises relating to this contract, prior to or after closing, and is not
263 resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a
264 process in which the parties meet with an impartial person who helps to resolve the dispute informally
265 and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree
266 before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share
267 equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the
268 event the entire dispute is not resolved within 30 calendar days of the date written notice requesting
269 mediation is sent by one party to the other at the party's last known address.

270
271 16. **ATTORNEY FEES.** In the event of any arbitration or litigation relating to this contract, the
272 arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including
273 attorney and legal fees.

274
275 17. **ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved
276 by the Colorado Real Estate Commission.)
277 _____
278 _____
279 _____

280
281 18. **ATTACHMENTS.** The following are a part of this contract:
282 _____
283 _____

284
285 19. **NOTICE, DELIVERY AND CHOICE OF LAW.**

286 a. **Physical Delivery.** Except for the notice requesting mediation described in § 15, and
287 except as provided in § 19b below, any notice to the other party to this contract must be in writing and is
288 effective upon receipt.

289 b. **Electronic Delivery.** As an alternative to physical delivery, any signed document and
290 written notice may be delivered in electronic form by the following indicated methods only:

291 ☐ Facsimile ☐ E-mail ☐ None. Documents with original signatures shall be provided upon request
292 of any party.
293

294 c. **Choice of Law.** This contract and all disputes arising hereunder shall be governed by
295 and construed in accordance with the laws of the State of Colorado, that would be applicable to
296 Colorado residents who sign a contract in this state for property located in Colorado.
297

298 20. **MODIFICATION OF THIS CONTRACT.** No subsequent modification of any of the terms of
299 this contract shall be valid, binding upon the parties, or enforceable unless in writing and signed by the
300 parties.
301

302 21. **COUNTERPARTS.** If more than one person is named as a Buyer herein, this contract may be
303 executed by each Buyer separately, and when so executed, such copies taken together with one executed
304 by Broker on behalf of Brokerage Firm shall be deemed to be a full and complete contract between the
305 parties.
306

307 22. **ENTIRE AGREEMENT.** This agreement constitutes the entire contract between the parties
308 and any prior agreements, whether oral or written, have been merged and integrated into this contract.
309

310 23. **COPY OF CONTRACT.** Buyer acknowledges receipt of a copy of this contract signed by
311 Broker, including all attachments.
312

313 24. **MEGAN'S LAW.** If the presence of a registered sex offender is a matter of concern to Buyer,
314 Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such
315 information.
316

317 Brokerage Firm authorizes Broker to execute this contract on behalf of Brokerage Firm.
318

319
320 Date: _____ Date: _____
321

322
323 Buyer _____ Buyer _____
324 Address: _____
325 Phone No.: _____ Fax No.: _____
326 Email Address: _____
327

328 Date: _____
329 Broker's Name: _____
330 Address: _____
331 Phone No.: _____ Fax No.: _____
332 Email Address: _____
333

334 Brokerage Firm's Name: _____
335 Address: _____
336 Phone No.: _____ Fax No.: _____
337

338
339 No. BC68-04-05 EXCLUSIVE RIGHT-TO-BUY CONTRACT (All Types of Properties) Page 7 of 8

340 Email Address: _____

No. BC68-04-05 EXCLUSIVE RIGHT-TO-BUY CONTRACT (All Types of Properties) Page 8 of 8

1 The printed portions of this form have been approved, except differentiated additions, by the Colorado Real Estate
2 Commission. (BDA 55-04-05)
3
4 THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT
5 LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.
6
7 DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE
8 LANDLORD AGENCY, TENANT AGENCY, BUYER AGENCY, SELLER AGENCY OR
9 TRANSACTION-BROKERAGE.
10
11 **BROKERAGE DUTIES ADDENDUM**
12 **TO PROPERTY MANAGEMENT AGREEMENT**
13
14 ☐ LANDLORD AGENCY ☐ TRANSACTION-BROKERAGE
15
16
17
18
19 This Brokerage Duties Addendum (Addendum) is made a part of the agreement for the
20 management and leasing of the Property known as _____ between Brokerage Firm
21 _____ (Property), which is dated _____
22 and Landlord (Agreement). This Addendum supplements the Agreement.
23
24 **1. BROKER AND BROKERAGE FIRM.**
25
26 ☐ **a. Multiple-Person Firm.** If this box is checked, the individual designated by
27 Brokerage Firm to perform leasing services for Landlord is called Broker. If more than one
28 individual is so designated, then references in this Addendum to Broker shall include all persons
29 so designated, including substitute or additional brokers. The brokerage relationship exists only
30 with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers
31 employed or engaged by Brokerage Firm who are not so designated.
32
33 ☐ **b. One-Person Firm.** If this box is checked, Broker is a real estate brokerage firm
34 with only one licensed natural person. References to Broker or Brokerage Firm mean both the
35 licensed natural person and brokerage firm who shall perform leasing services for Landlord.
36
37 **2. DEFINED TERMS.**
38
39 **a. Landlord:** _____
40
41 **b. Brokerage Firm:** _____
42
43 **c. Broker:** _____
44 shall act for or assist Landlord when performing leasing activities in the capacity as shown by the
45 box checked at the top of this page 1.
46
47 **3. BROKERAGE SERVICES AND UNIFORM DUTIES.** Brokerage Firm, acting
48 through Broker, shall provide brokerage services to Landlord. The Broker, acting as either a
49 Transaction-Broker or a Landlord's Agent, shall perform the following **Uniform Duties** when
50 working with Landlord:
51
52 **a.** Broker will exercise reasonable skill and care for Landlord, including, but not

BDA55-04-05 BROKERAGE DUTIES ADDENDUM

Page 1 of 4

53 limited to the following:
54 (1) Performing the terms of any written or oral agreement with Landlord;
55 (2) Presenting all offers to and from Landlord in a timely manner regardless of
56 whether the Property is subject to a lease or letter of intent to lease;
57 (3) Disclosing to Landlord adverse material facts actually known by Broker;
58 (4) Advising Landlord regarding the transaction and to obtain expert advice as
59 to material matters about which Broker knows but the specifics of which
60 are beyond the expertise of Broker;
61 (5) Accounting in a timely manner for all money and property received; and
62 (6) Keeping Landlord fully informed regarding the transaction.
63
64 **b.** Broker shall not disclose the following information without the informed consent
65 of Landlord:
66
67 (1) That Landlord is willing to accept less than the stated rental rate for the
68 Property;
69 (2) What Landlord's motivating factors are to lease the Property;
70 (3) That Landlord will agree to lease terms other than those offered;
71 (4) Any material information about Landlord unless disclosure is required by
72 law or failure to disclose such information would constitute fraud or
73 dishonest dealing; or
74 (5) Any facts or suspicions regarding circumstances that could psychologically
75 impact or stigmatize the Property.
76
77 **c.** Landlord consents to Broker's disclosure of Landlord's confidential information
78 to the supervising broker or designee for the purpose of proper supervision, provided such
79 supervising broker or designee shall not further disclose such information without consent of
80 Landlord, or use such information to the detriment of Landlord.
81
82 **d.** Broker may show alternative properties not owned by Landlord to other
83 prospective tenants and list competing properties for lease.
84
85 **e.** If all or a portion of the Property is subject to a lease, or letter of intent to Lease,
86 obtained by Broker, Broker shall not be obligated to seek additional offers to lease such portion
87 of the Property.
88
89 **f.** Broker has no duty to conduct an independent inspection of the Property for the
90 benefit of tenant and has no duty to independently verify the accuracy or completeness of
91 statements made by Landlord or independent inspectors.
92
93 **g.** Landlord shall not be liable for the acts of Broker unless such acts are approved,
94 directed or ratified by Landlord.
95
96
97 **4. ADDITIONAL DUTIES OF LANDLORD'S AGENT.** If the Landlord Agency box is
98 checked, Broker is a limited agent of Landlord, with the following additional duties:
99
100 Promoting the interests of Landlord with the utmost good faith, loyalty and
101 fidelity.
102
103 Seeking rental rates and terms that are acceptable to Landlord.

BDA55-04-05 BROKERAGE DUTIES ADDENDUM

Page 2 of 4

102 Counseling Landlord as to any material benefits or risks of a transaction that are
103 actually known to Broker.
104

105
106 **5. BROKERAGE RELATIONSHIP.**

107 **a. In-Company Transaction – Different Brokers.** When Landlord and tenant in a
108 transaction are working with different brokers, those brokers continue to conduct themselves
109 consistent with the brokerage relationships they have established. Landlord acknowledges that
110 Brokerage Firm is allowed to offer and pay compensation to brokers within Brokerage Firm
111 working with a tenant.
112

113 **b. In-Company Transaction – One Broker.** If Landlord and tenant are both
114 working with the same broker, Broker shall function as:
115

116 (1) **LANDLORD'S AGENT.** If the Landlord Agency box at the top of page
117 1 is checked, the parties agree the following applies:
118

119 **Check One Box Only**
120

121 ☐ (a) **Landlord Agency.** If this box is checked, Broker shall represent
122 Landlord as Landlord's Agent and shall treat the tenant as a customer. A customer is a party to a
123 transaction with whom Broker has no brokerage relationship. Broker shall disclose to such
124 customer Broker's relationship with Landlord.
125

126 ☐ (b) **Landlord Agency Unless Brokerage Relationship with Both.** If
127 this box is checked, Broker shall represent Landlord as Landlord's Agent and shall treat the
128 tenant as a customer, unless Broker currently has or enters into an agency or Transaction-
129 Brokerage relationship with the tenant, in which case Broker shall act as a Transaction-Broker,
130 performing the duties described in § 3 and facilitating lease transactions without being an
131 advocate or agent for either party.
132

133 (2) **TRANSACTION-BROKER.** If the Transaction-Brokerage box at the
134 top of page 1 is checked, or in the event neither box is checked, the Broker shall work with the
135 Landlord as a Transaction-Broker. If the Landlord and tenant are working with the same broker,
136 Broker shall continue to function as a Transaction-Broker.
137

138 **6. MATERIAL DEFECTS, DISCLOSURES AND INSPECTION.**

139 (a) **Broker's Obligations.** Colorado law requires a broker to disclose to any
140 prospective tenant all adverse material facts actually known by such broker including but not
141 limited to adverse material facts pertaining to the title to the Property, the physical condition of
142 the Property, any material defects in the Property, and any environmental hazards affecting the
143 Property required by law to be disclosed. These types of disclosures may include such matters as
144 structural defects, soil conditions, violations of health, zoning or building laws, and
145 nonconforming uses and zoning variances. Landlord agrees that any tenant may have the
146 Property and Inclusions inspected and authorizes Broker to disclose any facts actually known by
147 Broker about the Property. Broker shall not be obligated to conduct an independent investigation
148 of the tenant's financial condition except as otherwise provided in the Agreement.
149
150
151

BDAS-04-05 BROKERAGE DUTIES ADDENDUM

Page 3 of 4

152 (b) **Landlord's Obligations.**

153 (1) **Landlord's Property Disclosure Form.** A landlord is not
154 required by law to provide any particular disclosure form. However, disclosure of known
155 material latent (not obvious) defects is required by law. Landlord ☐ Agrees ☐ Does Not
156 Agree to provide a written disclosure of adverse matters regarding the Property completed to the
157 best of Landlord's current, actual knowledge.
158

159 (2) **Lead-Based Paint.** Unless exempt, if the improvements on the
160 Property include one or more residential dwellings for which a building permit was issued prior
161 to January 1, 1978, a completed Lead-Based Paint Disclosure (Rental) form must be signed by
162 Landlord and the real estate licensee, and given to any potential tenant and Landlord in a timely
163 manner.
164
165

166 **7. ADDITIONAL AMENDMENTS:**

167
168
169
170
171
172 Date: _____ Date: _____
173
174
175 Landlord _____ Landlord _____
176
177
178
179 Date: _____ Broker _____
180
181
182 Brokerage Firm's Name: _____
183
184

Form LC 50-04-05, EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (ALL TYPES OF PROPERTIES)
page 1
725_1_20050630_LC50_p1'ALL TYPES OF PROPERTIE.jpg

49 d. **Property.** The Property is the following legally described real estate:

50
51 in the County of _____, Colorado,
52 commonly known as No. _____, Street Address _____ City _____ State _____ Zip _____
53
54 together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant
55 thereto, all interest of Seller in vacated streets and alleys adjacent thereto, except as herein excluded.
56
57

58 e. **Sale.** A Sale is the voluntary transfer or exchange of any interest in the Property or the
59 voluntary creation of the obligation to convey any interest in the Property, including a contract or lease.
60 It also includes an agreement to transfer any ownership interest in an entity which owns the Property.
61

62 f. **Listing Period.** The Listing Period of this contract shall begin on _____, and
63 shall continue through the earlier of (1) completion of the Sale of the Property or (2) _____, and
64 _____, Broker shall continue to assist in the completion of any transaction for
65 which compensation is payable to Brokerage Firm under § 16 of this contract.
66

67 g. **Applicability of Terms.** A check or similar mark in a box means that such provision is
68 applicable. The abbreviation "N/A" means not applicable. The abbreviation "MEC" (mutual execution
69 of this contract) means the latest date upon which the parties have signed this contract.
70

71 **4. BROKERAGE SERVICES AND DUTIES.** Brokerage Firm, acting through Broker, shall
72 provide brokerage services to Seller. The Broker, acting as either a Transaction-Broker or a Seller's
73 Agent, shall perform the following **Uniform Duties** when working with Seller:
74

75 a. Broker shall exercise reasonable skill and care for Seller, including, but not limited to the
76 following:
77 (1) Performing the terms of any written or oral agreement with Seller;
78 (2) Presenting all offers to and from Seller in a timely manner regardless of whether
79 the Property is subject to a contract for Sale;
80 (3) Disclosing to Seller adverse material facts actually known by Broker;
81 (4) Advising Seller regarding the transaction and to obtain expert advice as to
82 material matters about which Broker knows but the specifics of which are beyond
83 the expertise of Broker;
84 (5) Accounting in a timely manner for all money and property received; and
85 (6) Keeping Seller fully informed regarding the transaction.
86

87 b. Broker shall not disclose the following information without the informed consent
88 of Seller: (1) That Seller is willing to accept less than the asking price for the
89 Property;
90 (2) What the motivating factors are for Seller to sell the Property;
91 (3) That Seller will agree to financing terms other than those offered;
92 (4) Any material information about Seller unless disclosure is required by law or
93 failure to disclose such information would constitute fraud or dishonest dealing;
94 or
95 (5) Any facts or suspicions regarding circumstances that could psychologically
96 impact or stigmatize the Property.

97
98 c. Seller consents to Broker's disclosure of Seller's confidential information to the
99 supervising broker or designee for the purpose of proper supervision, provided such supervising broker
100 or designee shall not further disclose such information without consent of Seller, or use such information
101 to the detriment of Seller.
102
103 d. Broker may show alternative properties not owned by Seller to other prospective buyers
104 and list competing properties for sale.
105
106 e. Broker shall not be obligated to seek additional offers to purchase the Property while the
107 Property is subject to a contract for Sale.
108
109 f. Broker has no duty to conduct an independent inspection of the Property for the benefit
110 of a buyer and has no duty to independently verify the accuracy or completeness of statements made by
111 Seller or independent inspectors. Broker has no duty to conduct an independent investigation of a
112 buyer's financial condition or to verify the accuracy or completeness of any statement made by a buyer.
113
114 g. Seller shall not be liable for the acts of Broker unless such acts are approved, directed or
115 ratified by the Seller.
116
117 5. ADDITIONAL DUTIES OF SELLER'S AGENT.
118
119 If the Seller Agency box at the top of Page 1 is checked, Broker is a limited agent of Seller
120 (Seller's Agent), with the following additional duties:
121
122 a. Promoting the interests of Seller with the utmost good faith, loyalty and fidelity.
123
124 b. Seeking a price and terms that are acceptable to Seller.
125
126 c. Counseling Seller as to any material benefits or risks of a transaction that are actually
127 known by Broker.
128
129 6. BROKERAGE RELATIONSHIP.
130
131 a. If the Seller Agency box at the top of page 1 is checked, Broker shall represent Seller as
132 a Seller's Agent. If the Transaction-Brokerage box at the top of page 1 is checked, Broker shall act as a
133 Transaction-Broker.
134
135 b. **In-Company Transaction - Different Brokers.** When Seller and buyer in a transaction
136 are working with different brokers, those brokers continue to conduct themselves consistent with the
137 brokerage relationships they have established. Seller acknowledges that Brokerage Firm is allowed to
138 offer and pay compensation to brokers within Brokerage Firm working with a buyer.
139
140 c. **In-Company Transaction - One Broker.** If Seller and buyer are both working with the
141 same broker, Broker shall function as:
142

No. LC58-04-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 3 of 11114

143 (1) **SELLER'S AGENT.** If the Seller Agency box at the top of page 1 is checked,
144 the parties agree the following applies:
145
146 **Check One Box Only**
147
148 ☐ (a) **Seller Agency.** If this box is checked, Broker shall represent Seller as
149 Seller's Agent and shall treat the buyer as a customer. A customer is a party to a transaction with whom
150 Broker has no brokerage relationship. Broker shall disclose to such customer Broker's relationship with
151 Seller.
152
153 ☐ (b) **Seller Agency Unless Brokerage Relationship with Both.** If this box is
154 checked, Broker shall represent Seller as Seller's Agent and shall treat the buyer as a customer, unless
155 Broker currently has or enters into an agency or Transaction-Brokerage relationship with the buyer, in
156 which case Broker shall act as a Transaction-Broker, performing the duties described in § 4 and
157 facilitating sales transactions without being an advocate or agent for either party.
158
159 (2) **TRANSACTION-BROKER.** If the Transaction-Brokerage box at the top of
160 page 1 is checked, or in the event neither box is checked, Broker shall work with Seller as a Transaction-
161 Broker. If Seller and buyer are working with the same broker, Broker shall continue to function as a
162 Transaction-Broker.
163
164 7. **SELLER'S OBLIGATIONS TO BROKER.** Seller agrees to conduct all negotiations for the
165 Sale of the Property only through Broker, and to refer to Broker all communications received in any
166 form from real estate brokers, prospective buyers, tenants or any other source during the Listing Period
167 of this contract. Seller represents that Seller ☐ Is ☐ Is Not currently a party to any listing agreement
168 with any other broker to sell the Property.
169
170 8. **PRICE AND TERMS.**
171
172 a. **Price.** U.S. \$ _____
173
174 b. **Terms.** ☐ Cash ☐ Conventional ☐ FHA ☐ VA
175 ☐ Other: _____
176
177 c. **Loan Discount Points.** _____
178
179
180 d. **Buyer's Closing Costs (FHA/VA).** Seller shall pay closing costs and fees that Buyer is
181 not allowed to pay, in an amount not to exceed \$ _____ for only the following items: third party
182 document preparation, tax service, tax certificate and _____
183
184 e. **Earnest Money.** Minimum amount of earnest money deposit U.S. \$ _____ in
185 the form of _____
186
187 f. **Seller Proceeds.** Seller will receive net proceeds of closing as indicated:
188
189
190

No. LC58-04-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 4 of 11114

191 ☐ Cashier's Check at Seller's expense; ☐ Funds Electronically Transferred (Wire Transfer) to
192 an account specified by Seller, at Seller's expense; or ☐ Closing Company's Trust Account
193 Check.

194
195 g. **Advisory-Tax Withholding.** The Internal Revenue Service and the Colorado
196 Department of Revenue may require closing company to withhold a substantial portion of the
197 proceeds of this Sale when Seller either (1) is a foreign person or (2) will not be a Colorado resident
198 after closing. Seller should inquire of Seller's tax advisor to determine if withholding applies or if an
199 exemption exists.

200
201 9. **DEPOSITS.** Brokerage Firm is authorized to accept earnest money deposits received by
202 Broker pursuant to a proposed Sale contract. Brokerage Firm is authorized to deliver the earnest
203 money deposit to the closing agent, if any, at or before the closing of the Sale contract.

204
205 10. **INCLUSIONS AND EXCLUSIONS.**

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

207 (1) **Fixtures.** If attached to the Property on the date of this contract, lighting, heating,
208 plumbing, ventilating, and air conditioning fixtures, TV antennas, inside telephone wiring and
209 connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances,
210 sprinkler systems and controls, built-in vacuum systems (including accessories), garage door openers
211 including _____, remote controls; and _____

212
213
214
215 (2) **Personal Property.** If on the Property whether attached or not on the date of this
216 contract: storm windows, storm doors, window and porch shades, awnings, blinds, screens, window
217 coverings, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves,
218 storage sheds, and all keys. If checked, the following are included: ☐ Water Softeners ☐
219 Smoke/Fire Detectors ☐ Security Systems ☐ Satellite Systems (including satellite dishes); and _____

220 The Personal Property to be conveyed at closing shall be conveyed, by Seller, free and clear of
221 all taxes (except personal property taxes for the year of closing), liens and encumbrances, except _____

222
223
224
225 Conveyance shall be by bill of sale or other applicable legal instrument.

226 (3) **Trade Fixtures.** The following trade fixtures: _____

227 The Trade Fixtures to be conveyed at closing shall be conveyed, by Seller, free and clear of all
228 taxes (except personal property taxes for the year of closing), liens and encumbrances, except _____

229
230
231
232 Conveyance shall be by bill of sale or other applicable legal instrument.

233
234
235
236

No. LC38-84-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 5 of 111144

237 (4) **Parking and Storage Facilities.** ☐ Use Only ☐ Ownership of the
238 following parking facilities: _____; and the following storage facilities: _____

239
240 (5) **Water Rights.** The following legally described water rights: _____

241 Any water rights shall be conveyed by _____ deed or other applicable legal
242 instrument. The Well Permit # is _____

243 (6) **Growing Crops.** The following growing crops: _____

244
245 h. **Exclusions.** The following are excluded: _____

246
247
248
249

250 11. **TITLE AND ENCUMBRANCES.** Seller represents to Broker that title to the Property is
251 solely in Seller's name. Seller shall deliver to Broker true copies of all relevant title materials, leases,
252 improvement location certificates and surveys in Seller's possession and shall disclose to Broker all
253 easements, liens and other encumbrances, if any, on the Property, of which Seller has knowledge. Seller
254 authorizes the holder of any obligation secured by an encumbrance on the Property to disclose to Broker
255 the amount owing on said encumbrance and the term thereof. In case of Sale, Seller agrees to convey,
256 by a _____ deed, only that title Seller has in the Property. Property shall be conveyed
257 free and clear of all taxes, except the general taxes for the year of closing.

258 All monetary encumbrances (such as mortgages, deeds of trust, liens, financing statements) shall
259 be paid by Seller and released except as Seller and buyer may otherwise agree. Existing monetary
260 encumbrances are as follows: _____

261 The Property is subject to the following leases and tenancies: _____

262 If the Property has been or will be subject to any governmental liens for special improvements
263 installed at the time of signing a Sale contract, Seller shall be responsible for payment of same, unless
264 otherwise agreed. Brokerage Firm may terminate this contract upon written notice to Seller that title is
265 not satisfactory to Brokerage Firm.

266 12. **EVIDENCE OF TITLE.** Seller agrees to furnish buyer, at Seller's expense, a current
267 commitment and an owner's title insurance policy in an amount equal to the Purchase Price in the form
268 specified in the Sale contract, or if this box is checked, ☐ An Abstract of Title certified to a current
269 date.

270 13. **ASSOCIATION ASSESSMENTS.** Seller represents that the amount of the regular owners'
271 association assessment is currently payable at \$ _____ per _____ and that there
272 are no unpaid regular or special assessments against the Property except the current regular assessments
273 and except _____

274 Seller agrees to promptly request the owners' association to deliver to buyer before date of closing a
275 current statement of assessments against the Property.

276 14. **POSSESSION.** Possession of the Property shall be delivered to buyer as follows:

No. LC38-84-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 6 of 111144

284 subject to leases and tenancies as described in §11.
285
286
287 **15. MATERIAL DEFECTS, DISCLOSURES AND INSPECTION.**
288
289 a. **Broker's Obligations.** Colorado law requires a broker to disclose to any prospective
290 buyer all adverse material facts actually known by such broker including but not limited to adverse
291 material facts pertaining to the title to the Property and the physical condition of the Property, any
292 material defects in the Property, and any environmental hazards affecting the Property which are
293 required by law to be disclosed. These types of disclosures may include such matters as structural
294 defects, soil conditions, violations of health, zoning or building laws, and nonconforming uses and
295 zoning variances. Seller agrees that any buyer may have the Property and Inclusions inspected and
296 authorizes Broker to disclose any facts actually known by Broker about the Property.
297
298 b. **Seller's Obligations.**
299
300 (1) **Seller's Property Disclosure Form.** A seller is not required by law to provide a
301 written disclosure of adverse matters regarding the Property. However, disclosure of known material
302 latent (not obvious) defects is required by law. Seller ☐ Agrees ☐ Does Not Agree to provide a
303 Seller's Property Disclosure form completed to the best of Seller's current, actual knowledge.
304
305 (2) **Lead-Based Paint.** Unless exempt, if the improvements on the Property include
306 one or more residential dwellings for which a building permit was issued prior to January 1, 1978, a
307 completed Lead-Based Paint Disclosure (Sales) form must be signed by Seller and the real estate
308 licensees, and given to any potential buyer in a timely manner.
309
310 **16. COMPENSATION TO BROKERAGE FIRM.** Seller agrees that any Brokerage Firm
311 compensation that is conditioned upon the Sale of the Property shall be earned by Brokerage Firm as set
312 forth herein without any discount or allowance for any efforts made by Seller or by any other person in
313 connection with the Sale of the Property.
314
315 a. **Amount.** In consideration of the services to be performed by Broker, Seller agrees to
316 pay Brokerage Firm as follows:
317
318 (1) **Sale Commission.** (a) _____ % of the gross sales price in U.S. dollars, or
319
320 (b) _____
321 (2) **Lease Commission.** (a) _____ % of the gross rent under the lease in U.S. dollars,
322 or (b) _____
323
324 b. **When Earned.** Such commission shall be earned upon the occurrence of any of the
325 following:
326
327 (1) Any Sale of the Property within the Listing Period by Seller, by Broker or by any
328 other person,
329
330 (2) Broker finding a buyer who is ready, willing and able to complete the transaction
331 as specified herein by Seller; or

No. LC59-04-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 7 of 111414

332
333 (3) Any Sale of the Property within _____ calendar days subsequent to the
334 expiration of the Listing Period (Holdover Period) to anyone with whom Broker negotiated and whose
335 name was submitted, in writing, to Seller by Broker during the Listing Period (including any extensions
336 thereof). However, Seller shall owe no commission to Brokerage Firm under this subsection (3) if a
337 commission is earned by another licensed real estate brokerage firm acting pursuant to an exclusive
338 agreement entered into during the Holdover Period.
339
340 c. **When Applicable and Payable.** The commission obligation shall apply to a Sale made
341 during the Listing Period or any extension of such original or extended term. The commission described
342 in subsection 16a(1) shall be payable at the time of the closing of the Sale as contemplated by subsection
343 16b(1) or 16b(3), or upon fulfillment of subsection 16b(2) where either the offer made by such buyer is
344 defeated by Seller or by the refusal or neglect of Seller to consummate the Sale as agreed upon.
345
346 d. **Lease and Lease Option Commissions.** If the transaction consists of a lease or a lease
347 and right to purchase the Property, the commission relating to the lease shall be as provided in
348 subsection 16a(2), payable as follows: _____
349
350 e. **Other Compensation.** _____
351
352 **17. LIMITATION ON THIRD-PARTY COMPENSATION.** Neither Broker nor the Brokerage
353 Firm, except as set forth in § 16, shall accept compensation from any other person or entity in
354 connection with the Property without the written consent of Seller. Additionally, neither Broker nor
355 Brokerage Firm shall assess or receive mark-ups or other compensation for services performed by any
356 third party or affiliated business entity unless Seller signs a separate written consent.
357
358 **18. OTHER BROKERS' ASSISTANCE, MULTIPLE LISTING SERVICE AND**
359 **MARKETING.** Seller has been advised by Broker of the advantages and disadvantages of various
360 marketing methods, the use of multiple listing services and various methods of making the Property
361 accessible by other brokerage firms (e.g., using lock boxes, by-appointment-only showings, etc.), and
362 whether some methods may limit the ability of another broker to show the Property. After having been
363 so advised, Seller has chosen the following (check all that apply):
364
365 a. The Property:
366 ☐ Shall ☐ Shall Not be submitted to one or more multiple listing services.
367 ☐ Shall ☐ Shall Not be submitted to one or more property information exchanges.
368 Seller authorizes the use of electronic and all other marketing methods except: _____
369
370 Seller further authorizes use of the data by multiple listing services and property
371 information exchanges, if any.
372 Access to the Property by other brokerage firms may be by:
373 ☐ Lock Box
374 ☐
375 Other instructions: _____
376
377 b. Broker shall seek assistance from, and Brokerage Firm offers compensation to, the
378 following brokers outside of Brokerage Firm:
379 ☐ Buyer Agents: _____ % of the gross sales price in U.S. dollars.

No. LC59-04-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 8 of 111414

380 ☐ **Transaction-Brokers:** ____ % of the gross sales price in U.S. dollars.

381

382 **19. FORFEITURE OF PAYMENTS.** In the event of a forfeiture of payments made by a buyer,

383 the sums received shall be divided between Brokerage Firm and Seller, one-half thereof to Brokerage

384 Firm but not to exceed the Brokerage Firm compensation agreed upon herein, and the balance to Seller.

385 Any forfeiture of payment under this section shall not reduce any Brokerage Firm compensation under

386 § 16.

387

388 **20. COST OF SERVICES AND REIMBURSEMENT.** Unless otherwise agreed upon in writing,

389 Brokerage Firm shall bear all expenses incurred by Brokerage Firm, if any, to market the Property and

390 to compensate cooperating brokerage firms, if any. Neither Broker nor Brokerage Firm shall obtain or

391 order any other products or services unless Seller agrees in writing to pay for them promptly when due

392 (examples: surveys, radon tests, soil tests, title reports, engineering studies). Unless otherwise agreed,

393 neither Broker nor Brokerage Firm shall be obligated to advance funds for the benefit of Seller in order

394 to complete a closing. Seller shall reimburse Brokerage Firm for payments made by Brokerage Firm for

395 such products or services authorized by Seller.

396

397 **21. MAINTENANCE OF THE PROPERTY.** Neither Broker nor Brokerage Firm shall be

398 responsible for maintenance of the Property nor shall they be liable for damage of any kind occurring to

399 the Property, unless such damage shall be caused by their negligence or intentional misconduct.

400

401

402

403 **22. NONDISCRIMINATION.** The parties agree not to discriminate unlawfully against any

404 prospective buyer because of the race, creed, color, sex, marital status, national origin, familial status,

405 physical or mental handicap, religion or ancestry of such person.

406

407 **23. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this document,

408 Seller acknowledges that Broker has advised that this document has important legal consequences and

409 has recommended consultation with legal and tax or other counsel before signing this contract.

410

411 **24. MEDIATION.** If a dispute arises relating to this contract, prior to or after closing, and is not

412 resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a

413 process in which the parties meet with an impartial person who helps to resolve the dispute informally

414 and confidentially. Mediators cannot impose binding decisions. The parties to the dispute must agree

415 before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share

416 equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the

417 event the entire dispute is not resolved within 30 calendar days of the date written notice requesting

418 mediation is sent by one party to the other at the party's last known address.

419

420 **25. ATTORNEY FEES.** In the event of any arbitration or litigation relating to this contract,

421 the arbitrator or court shall award to the prevailing party all reasonable costs and expenses,

422 including attorney and legal fees.

423

424 **26. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved

425 by the Colorado Real Estate Commission.)

426

427

No. LC39-04-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 9 of 11134

428

429 **27. ATTACHMENTS.** The following are a part of this contract:

430

431

432

433 **28. NOTICE, DELIVERY AND CHOICE OF LAW.**

434

435 a. **Physical Delivery.** Except for the notice requesting mediation described in § 24 and

436 except as provided in § 28b below, any notice to the other party to this contract must be in writing, and

437 is effective upon receipt.

438

439 b. **Electronic Delivery.** As an alternative to physical delivery, any signed document and

440 written notice may be delivered in electronic form by the following indicated methods only:

441 ☐ **Faxsimile** ☐ **E-mail** ☐ **None.** Documents with original signatures shall be provided upon request

442 of any party.

443

444 c. **Choice of Law.** This contract and all disputes arising hereunder shall be governed by

445 and construed in accordance with the laws of the State of Colorado that would be applicable to Colorado

446 residents who sign a contract in this state for property located in Colorado.

447

448 **29. MODIFICATION OF THIS LISTING CONTRACT.** No subsequent modification of any of

449 the terms of this contract shall be valid, binding upon the parties, or enforceable unless made in writing

450 and signed by the parties.

451

452 **30. COUNTERPARTS.** If more than one person is named as a Seller-herein, this contract may be

453 executed by each Seller, separately, and when so executed, such copies taken together with one executed

454 by Broker on behalf of Brokerage Firm shall be deemed to be a full and complete contract between the

455 parties.

456

457 **31. ENTIRE AGREEMENT.** This agreement constitutes the entire contract between the parties,

458 and any prior agreements, whether oral or written, have been merged and integrated into this contract.

459

460 **32. COPY OF CONTRACT.** Seller acknowledges receipt of a copy of this contract signed by

461 Broker, including all attachments.

462

463 Brokerage Firm authorizes Broker to execute this contract on behalf of Brokerage Firm.

464

465

466 Date: _____ Date: _____

467

468

469

470 Seller _____ Seller _____

471 Address: _____

472 Phone No.: _____ Fax No.: _____

473 Email Address: _____

474

475

No. LC39-04-05 EXCLUSIVE RIGHT-TO-SELL LISTING CONTRACT (All Types of Properties) Page 10 of 11134

476 Date: _____

477 Broker _____

478 Broker's Name: _____

479 Address: _____

480 Phone No.: _____ Fax No.: _____

481 Email Address: _____

482

483 Brokerage Firm's Name: _____

484 Address: _____

485 Phone No.: _____ Fax No.: _____

486 Email Address: _____

487

Form BDD56-10-05, BROKERAGE DUTIES DISCLOSURE TO SELLER (REO and non-CREC Approved Listing Agreements)

725_1_20051130_BDD56_p1'REO and non-CREC Approved Listing Agreement.jpg

52 a. Broker shall exercise reasonable skill and care for Seller, including, but not
53 limited to the following:
54 (1) Performing the terms of any written or oral agreement with Seller;
55 (2) Presenting all offers to and from Seller in a timely manner regardless of
56 whether the Property is subject to a contract for sale;
57 (3) Disclosing to Seller adverse material facts actually known by Broker;
58 (4) Advising Seller regarding the transaction and to obtain expert advice as to
59 material matters about which Broker knows but the specifics of which are
60 beyond the expertise of Broker;
61 (5) Accounting in a timely manner for all money and property received; and
62 (6) Keeping Seller fully informed regarding the transaction.

63 b. Broker shall not disclose the following information without the informed consent
64 of Seller:
65 (1) That Seller is willing to accept less than the asking price for the Property;
66 (2) What the motivating factors are for Seller to sell the Property;
67 (3) That Seller will agree to financing terms other than those offered;
68 (4) Any material information about Seller unless disclosure is required by law
69 or failure to disclose such information would constitute fraud or dishonest
70 dealing; or
71 (5) Any facts or suspicions regarding circumstances that could psychologically
72 impact or stigmatize the Property.
73

74 c. Seller consents to Broker's disclosure of Seller's confidential information to the
75 supervising broker or designee for the purpose of proper supervision, provided such supervising
76 broker or designee shall not further disclose such information without consent of Seller, or use
77 such information to the detriment of Seller.
78

79 d. Brokerage Firm may have agreements with other sellers to market and sell their
80 property. Broker may show alternative properties not owned by Seller to other prospective
81 buyers and list competing properties for sale.
82

83 e. Broker shall not be obligated to seek additional offers to purchase the Property
84 while the Property is subject to a contract for sale.
85

86 f. Broker has no duty to conduct an independent inspection of the Property for the
87 benefit of a buyer and has no duty to independently verify the accuracy or completeness of
88 statements made by Seller or independent inspectors. Broker has no duty to conduct an
89 independent investigation of a buyer's financial condition or to verify the accuracy or
90 completeness of any statement made by a buyer.
91

92 g. Seller shall not be liable for the acts of Broker unless such acts are approved,
93 directed or ratified by Seller.
94

95
96 4. ADDITIONAL DUTIES OF SELLER'S AGENT. If the Seller Agency box at the top
97 of page 1 is checked, Broker is a limited agent of Seller (Seller's Agent), with the following
98 additional duties:
99

100 a. Promoting the interests of Seller with the utmost good faith, loyalty and fidelity.
101

102 b. Seeking a price and terms that are acceptable to Seller.
103

104 c. Counseling Seller as to any material benefits or risks of a transaction that are
105 actually known by Broker.
106

107 5. BROKERAGE RELATIONSHIP.

108 a. If the Seller Agency box at the top of page 1 is checked, Broker shall represent
109 Seller as a Seller's Agent. If the Transaction-Brokerage box at the top of page 1 is checked,
110 Broker shall act as a Transaction-Broker.
111

112 b. In-Company Transaction - Different Brokers. When Seller and buyer in a
113 transaction are working with different brokers, those brokers continue to conduct themselves
114 consistent with the brokerage relationships they have established. Seller acknowledges that
115 Brokerage Firm is allowed to offer and pay compensation to brokers within Brokerage Firm
116 working with a buyer.
117

118 c. In-Company Transaction - One Broker. If Seller and buyer are both working
119 with the same broker, Broker shall function as:
120

121 (1) SELLER'S AGENT. If the Seller Agency box at the top of page 1 is
122 checked, the parties agree the following applies:
123

124 Check One Box Only
125

126 ☐ (a) Seller Agency. If this box is checked, Broker shall represent Seller as
127 Seller's Agent and shall treat the buyer as a customer. A customer is a party to a transaction with
128 whom Broker has no brokerage relationship. Broker shall disclose to such customer Broker's
129 relationship with Seller.
130

131 ☐ (b) Seller Agency Unless Brokerage Relationship with Both. If this
132 box is checked, Broker shall represent Seller as Seller's Agent and shall treat the buyer as a
133 customer, unless Broker currently has or enters into an agency or Transaction-Brokerage
134 relationship with the buyer, in which case Broker shall act as a Transaction-Broker, performing
135 the duties described in § 3 and facilitating sales transactions without being an advocate or agent
136 for either party.
137

138 (2) TRANSACTION-BROKER. If the Transaction-Brokerage box at the
139 top of page 1 is checked, or in the event neither box is checked, Broker shall work with Seller as
140 a Transaction-Broker. If Seller and buyer are working with the same broker, Broker shall
141 continue to function as a Transaction-Broker.
142

143 6. MATERIAL DEFECTS, DISCLOSURES AND INSPECTION.
144

145 (a) Broker's Obligations. Colorado law requires a broker to disclose to any
146 prospective buyer all adverse material facts actually known by such broker including but not
147 limited to adverse material facts pertaining to the title to the Property, the physical condition of
148 the Property, any material defects in the Property, and any environmental hazards affecting the
149 Property required by law to be disclosed. These types of disclosures may include such matters as
150 structural defects, soil conditions, violations of health, zoning or building laws, and
151 nonconforming uses and zoning variances. Seller agrees that any buyer may have the Property
152 and inclusions inspected and authorizes Broker to disclose any facts actually known by Broker
153 about the Property. Broker shall not be obligated to conduct an independent investigation of the
154 buyer's financial condition except as otherwise provided in the Listing Agreement.
155

156 (b) Seller's Obligations.

157 (1) Seller's Property Disclosure Form. A Seller is not required by
158 law to provide any particular disclosure form. However, disclosure of known material latent (not
159 obvious) defects is required by law.
160

161 (2) Lead-Based Paint. Unless exempt, if the improvements on the
162 Property include one or more residential dwellings for which a building permit was issued prior
163 to January 1, 1978, a completed Lead-Based Paint Disclosure (Sales) form must be signed by
164 Seller and the real estate licensees, and given to any potential buyer in a timely manner.
165

166 7. ADDITIONAL DISCLOSURES:
167

168 THIS IS NOT A CONTRACT.
169

170 SELLER ACKNOWLEDGEMENT:
171

172 The Seller acknowledges that the Seller has received this Brokerage Disclosure to Seller on
173 _____
174

175 Seller _____
176

177 SELLER ACKNOWLEDGEMENT:
178

179 On _____, the Broker provided _____ (Seller) with this
180 Brokerage Disclosure to Seller and retained a copy for the Broker's records.
181

182 Brokerage Firm's Name: _____
183

184 _____
185

186 _____
187

188 _____
189

190 _____
191

192 _____
193

194 _____
195

196 _____
197

Form CIC33-10-05 COMMON INTEREST COMMUNITY (CIC) DOCUMENTS RECEIPT AND
DISCLOSURE TO BUYER
725_1_20051130_CIC33'CI.jpg
Form ETC59-10-05 EXCLUSIVE TENANT CONTRACT (FOR ALL TYPES OF PREMISES)
725_1_20051130_ETC59_p1'FOR ALL TYPES OF PREMISE.jpg

49 d. Premises. Premises means real estate which substantially meets the following
50 requirements or similar real estate acceptable to Tenant:
51 _____
52 _____
53
54 e. Lease.
55
56 (1) Lease of the Premises or Lease means any lease of an interest in the Premises.
57
58 (2) If this box is checked, Tenant authorizes Broker to negotiate a purchase of the
59 Premises. Purchase of the Premises or Purchase means the acquisition of any interest in the Premises or
60 the creation of the right to acquire any interest in the Premises (including a contract or lease). It also
61 includes an agreement to acquire any ownership interest in an entity that owns the Premises.
62
63 f. Term. The Term of this contract shall begin on _____, and shall
64 continue through the earlier of (1) completion of the Lease or purchase of the Premises or (2) _____
65 _____ Broker shall continue to assist in the completion of any transaction for
66 which compensation is payable to Brokerage Firm under § 8 of this contract.
67
68 g. Applicability of Terms. A check or similar mark in a box means that such provision is
69 applicable. The abbreviation "N/A" means not applicable. The abbreviation "MEC" (mutual execution
70 of this contract) means the latest date upon which both parties have signed this contract. For purposes of
71 this agreement, "landlord" includes sublandlord and "tenant" includes subtenant.
72
73 4. BROKERAGE SERVICES AND DUTIES. Brokerage Firm, acting through Broker, shall
74 provide brokerage services to Tenant. Broker, acting as either a Transaction-Broker or a Tenant's Agent,
75 shall perform the following Uniform Duties when working with Tenant:
76
77 a. Broker shall exercise reasonable skill and care for Tenant, including but not limited to the
78 following:
79 (1) Performing the terms of any written or oral agreement with Tenant;
80 (2) Presenting all offers to and from Tenant in a timely manner regardless of whether
81 Tenant is already a party to a written agreement to Lease the Premises;
82 (3) Disclosing to Tenant adverse material facts actually known by Broker;
83 (4) Advising Tenant regarding the transaction and to obtain expert advice as to
84 material matters about which Broker knows but the specifics of which are beyond the
85 expertise of Broker;
86 (5) Accounting in a timely manner for all money and property received; and
87 (6) Keeping Tenant fully informed regarding the transaction.
88
89 b. Broker shall not disclose the following information without the informed consent of
90 Tenant:
91 (1) That Tenant is willing to pay more than the offered lease rate for the Premises;
92 (2) What Tenant's motivating factors are;
93 (3) That Tenant will agree to Lease terms other than those offered;
94 (4) Any material information about Tenant unless disclosure is required by law or
95 failure to disclose such information would constitute fraud or dishonest dealing;
96 or
97 (5) Any facts or suspicions regarding circumstances that could psychologically impact
98 _____
99 or stigmatize the Premises.
100
101 c. Tenant consents to Broker's disclosure of Tenant's confidential information to the
102 supervising broker or designee for the purpose of proper supervision, provided such supervising broker
103 or designee shall not further disclose such information without consent of Tenant, or use such
104 information to the detriment of Tenant.
105
106 d. Broker may show premises in which Tenant is interested to other prospective tenants
107 without breaching any duty or obligation to Tenant. Broker shall not be prohibited from showing
108 competing tenants the same property and from assisting competing tenants in attempting to lease a
109 particular property.
110
111 e. Broker shall not be obligated to seek other properties while Tenant is already a party to a
112 lease or letter of intent to lease.
113
114 f. Broker has no duty to conduct an independent inspection of the Premises for the benefit
115 of Tenant and has no duty to independently verify the accuracy or completeness of statements made by a
116 landlord or independent inspectors. Broker has no duty to conduct an independent investigation of
117 Tenant's financial condition or to verify the accuracy or completeness of any statement made by Tenant.
118
119 g. Broker shall disclose to any prospective landlord all adverse material facts actually
120 known by Broker, including but not limited to adverse material facts concerning Tenant's financial
121 ability to perform the terms of the transaction.
122
123 h. Tenant shall not be liable for the acts of Broker unless such acts are approved, directed or
124 ratified by the Tenant.
125
126 5. ADDITIONAL DUTIES OF TENANT'S AGENT. If the Tenant Agency box at the top of
127 page 1 is checked, Broker is a limited agent of Tenant, with the following additional duties:
128
129 a. Promoting the interests of Tenant with the utmost good faith, loyalty and fidelity.
130
131 b. Seeking lease rates and terms that are acceptable to Tenant.
132
133 c. Counseling Tenant as to any material benefits or risks of a transaction that are actually
134 known by Broker.
135
136 6. BROKERAGE RELATIONSHIP.
137
138 a. If the Tenant Agency box at the top of page 1 is checked, Broker shall represent Tenant as
139 a Tenant's Agent. If the Transaction-Brokerage box at the top of page 1 is checked, Broker shall act as a
140 Transaction-Broker.
141
142 b. In-Company Transaction - Different Brokers. When the landlord and Tenant in a
143 transaction are working with different brokers, those brokers continue to conduct themselves consistent
144 with the brokerage relationships they have established. Tenant acknowledges that Brokerage Firm is
145 allowed to offer and pay compensation to brokers within Brokerage Firm working with a landlord.

c. **In-Company Transaction – One Broker.** If the landlord and Tenant are both working with the same broker, Broker shall function as:

(1) **TENANT'S AGENT.** If the Tenant Agency box at the top of page 1 is checked, the parties agree the following applies:

Check One Box Only

☐ (a) **Tenant Agency.** If this box is checked, Broker shall represent Tenant as Tenant's Agent and shall treat the landlord as a customer. A customer is a party to a transaction with whom Broker has no brokerage relationship. Broker shall disclose to such customer Broker's relationship with Tenant.

☐ (b) **Tenant Agency Unless Brokerage Relationship with Both.** If this box is checked, Broker shall represent Tenant as Tenant's Agent and shall treat the landlord as a customer, unless Broker currently has or enters into an agency or Transaction-Brokerage relationship with the landlord, in which case Broker shall act as a Transaction-Broker, performing the duties described in § 4 and facilitating lease transactions without being an advocate or agent for either party.

(2) **TRANSACTION-BROKER** If the Transaction-Brokerage box at the top of page 1 is checked, or in the event neither box is checked, Broker shall work with Tenant as a Transaction-Broker. If the landlord and Tenant are working with the same broker, Broker shall continue to function as a Transaction-Broker.

7. **TENANT'S OBLIGATIONS TO BROKER.** Tenant agrees to conduct all negotiations for the Lease of the Premises only through Broker, and to refer to Broker all communications received in any form from real estate brokers, prospective landlords, owners, or any other source during the Term of this contract. Tenant represents that Tenant ☐ Is ☐ Is Not currently a party to any agreement with any other broker to represent or assist Tenant in the location or Lease of the Premises.

8. **COMPENSATION TO BROKERAGE FIRM.** In consideration of the services to be performed by Broker, Tenant shall pay Brokerage Firm as set forth in this section, with no discount or allowance for any efforts made by Tenant or any other person.

Check Compensation Arrangement:

☐ **a. Listing Brokerage Firm, Landlord or Sublandlord May Pay.** Tenant is NOT obligated to pay. Broker is authorized to obtain payment of the Brokerage Firm's fee from the listing brokerage firm, landlord or sublandlord. Brokerage Firm shall be entitled to receive additional compensation, bonuses, and incentives paid by listing brokerage firm, landlord or sublandlord. Broker shall inform Tenant of the fee to be paid to Brokerage Firm and, if there is a written fee agreement, Broker shall supply a copy to Tenant, upon written request of Tenant. Tenant shall not be obligated to pay Brokerage Firm's fee. This subsection shall apply to ☐ **New Premises** ☐ **Tenant's Existing Premises** ☐ **Both.**

☐ **b. Listing Brokerage Firm, Landlord or Sublandlord May Pay. Tenant IS Obligated to Pay.** Broker is authorized and instructed to request payment of the Brokerage Firm's fee from the listing brokerage firm, landlord or sublandlord. Brokerage Firm shall be entitled to receive additional

compensation, bonuses, and incentives paid by listing brokerage firm, landlord or sublandlord. Broker shall inform Tenant of the fee to be paid to Brokerage Firm and, if there is a written fee agreement, Broker shall supply a copy to Tenant, upon written request of Tenant. Tenant shall be obligated to pay any portion of Brokerage Firm's fee as described below which is not paid by the listing brokerage firm, landlord or sublandlord. This subsection shall apply to ☐ New Premises ☐ Tenant's Existing Premises ☐ Both.

☐ (1) **Success Fee.** Brokerage Firm shall be paid a fee of: ☐ (a) \$ _____, **Per Square Foot** per _____, up to a maximum of _____; or ☐ (b) _____ % of the ☐ **Net** ☐ **Gross** amount of the rent payable under the lease up to a maximum of _____; or ☐ (c) \$ _____. The Success Fee is earned by the Brokerage Firm upon the execution of the Lease. One-half of this fee shall be paid upon the execution of the Lease and one-half upon possession of the Premises by Tenant or as follows: _____

☐ (2) **Hourly Fee.** Brokerage Firm shall be paid \$_____ per hour for time spent by Broker pursuant to this contract, up to a maximum total fee of \$_____. This hourly fee shall be paid to Brokerage Firm upon receipt of an invoice from Brokerage Firm.

☐ (3) **Retainer Fee.** Tenant shall pay Brokerage Firm a nonrefundable retainer fee of \$_____ due and payable upon signing of this contract. This amount ☐ Shall ☐ Shall Not be credited against other fees payable to Brokerage Firm under this section.

☐ (4) Other Compensation. _____

☐ **c. Purchase Fee.** If the box in subsection 3c(2) is checked and if Brokerage Firm is unable to obtain payment of Brokerage Firm's entire fee from listing brokerage firm or seller, Tenant shall pay the Brokerage Firm a fee equal to the greater of \$_____ or _____% of the purchase price for the Premises, less any amounts paid by the listing brokerage firm or seller, payable upon delivery of deed.

d. **Fee for Extension and Renewal.** If the Lease, executed after the date of this contract, contains an option to extend or renew, Brokerage Firm ☒ **Shall** ☐ **Shall Not** be paid a fee upon exercise of such extension or renewal option. If Brokerage Firm ☐ is to be paid a fee for such extension or renewal, the amount of such fee and its payment shall be as follows: _____

e. **Holdover Period.** The Brokerage Firm's fee shall apply to Premises leased (or purchased if the subsection 3e(2) is checked) during the Term of this contract or any extensions and shall also apply to the Premises leased or purchased within _____ calendar days after this contract expires or is terminated (Holdover Period) if the Premises is one on which Broker negotiated and if Broker submitted its address or other description in writing to Tenant during the Term. Provided, however, if a commission is earned by another real estate brokerage firm acting pursuant to an exclusive agreement with Tenant entered into during the Holdover Period, Brokerage firm shall be owed no compensation to Brokerage Firm under subsections 8b(1), 8b(4), 8c or 8d above.

9. **LIMITATION ON THIRD-PARTY COMPENSATION.** Neither Broker nor Brokerage Firm, except as set forth in § 8, shall accept compensation from any other person or entity in connection with the Premises without the written consent of Tenant. Additionally, neither Broker nor Brokerage Firm shall be permitted to assess and receive mark-ups or other compensation for services performed by any third party or affiliated business entity unless Tenant signs a separate written consent for such services.

10. COSTS OF SERVICES OR PRODUCTS OBTAINED FROM OUTSIDE SOURCES. Broker will not obtain or order products or services from outside sources unless Tenant has agreed to pay for them promptly when due (examples: space planning, drawings, surveys, radon tests, soil tests, title reports, engineering studies, property inspections). Neither Broker nor Brokerage Firm shall be obligated to advance funds for Tenant. Tenant shall reimburse Brokerage Firm for payments made by Brokerage Firm for such products or services authorized by Tenant.

11. **SHOWING PREMISES.** Tenant acknowledges that Broker has explained the possible methods used by listing brokers, landlords and sublandlords to show premises, and the limitations (if any) on Tenant and Broker being able to access premises due to such methods. Broker's limitations on accessing premises are as follows: _____. Broker, through Brokerage Firm, has access to the following multiple listing services and property information services: _____.

12. **DISCLOSURE OF TENANT'S IDENTITY.** Broker ☒ Does ☐ Does Not have Tenant's permission to disclose Tenant's identity to third parties without prior written consent of Tenant.

13. **NONDISCRIMINATION.** The parties agree not to discriminate unlawfully against any prospective landlord because of the race, creed, color, sex, marital status, national origin, familial status, physical or mental handicap, religion or ancestry of such person.

14. **RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this document, Tenant acknowledges that Broker has advised that this document has important legal consequences and has recommended consultation with legal and tax or other counsel before signing this contract.

15. **MEDIATION.** If a dispute arises relating to this contract, prior to or after possession of the Premises, and is not resolved, the parties shall first proceed in good faith to submit the matter to mediation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions on the parties to the dispute must agree before any settlement is binding. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within 30 calendar days of the date written notice requesting mediation is sent by one party to the other at the party's last known address.

16. **ATTORNEY FEES.** In the event of any arbitration or litigation relating to this contract, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

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

292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340

18. ATTACHMENTS. The following are a part of this contract:

19. NOTICE, DELIVERY AND CHOICE OF LAW.

a. Physical Delivery. Except for the notice requesting mediation described in § 15, and except as provided in § 19b below, any notice to the other party to this contract must be in writing and is effective upon receipt.

b. Electronic Delivery. As an alternative to physical delivery, any signed documents and written notice may be delivered in electronic form by the following indicated methods only:
☐ Facsimile ☐ E-mail ☐ None. Documents with original signatures shall be provided upon request of any party.

c. Choice of Law. This contract and all disputes arising hereunder shall be governed by and construed in accordance with the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in this state for property located in Colorado.

20. MODIFICATION OF THIS CONTRACT. No subsequent modification of any of the terms of this contract shall be valid, binding upon the parties, or enforceable unless in writing and signed by the parties.

21. COUNTERPARTS. If more than one person is named as a Tenant herein, this contract may be executed by each Tenant, separately, and when so executed, such copies taken together with one executed by Broker on behalf of Brokerage Firm shall be deemed to be a full and complete contract between the parties.

22. ENTIRE AGREEMENT. This agreement constitutes the entire contract between the parties and any prior agreements, whether oral or written, have been merged and integrated into this contract.

23. COPY OF CONTRACT. Tenant acknowledges receipt of a copy of this contract signed by Broker, including all attachments.

Brokerage Firm authorizes Broker to execute this contract on behalf of Brokerage Firm.

Date: _____ Date: _____

Tenant: _____ Tenant: _____

Address: _____ Address: _____

Phone No.: _____ Fax No.: _____

Email Address: _____ Email Address: _____

341 Date: _____ Broker
342 _____
343 Broker's Name: _____
344 Address: _____
345 Phone No.: _____ Fax No.: _____
346 Email Address: _____
347 _____
348 Brokerage Firm's Name: _____
349 Address: _____
350 Phone No.: _____ Fax No.: _____
351 Email Address: _____
352 _____

Form SPD19-10-05 SELLER'S PROPERTY DISCLOSURE (ALL TYPES OF PROPERTIES) 725_1_20051130_SPD19_p1'ALL TYPES OF PROPERTIE.jpg

D. ELECTRICAL & TELECOMMUNICATIONS		Yes	No	Do Not Know	Age If Known	COMMENTS
1	Security system <input type="checkbox"/> Owned <input type="checkbox"/> Leased					
2	Smoke/fire detectors <input type="checkbox"/> Battery <input type="checkbox"/> Hardwire					
3	Light fixtures					
4	Switches & outlets					
5	Aluminum wiring					
6	Electrical Panel Voltage					
7	Telecommunications (TV, fiber, cable, satellite)					
8	Inside telephone wiring & block/jacks					
9	Abandoned communication cables <input type="checkbox"/> Yes <input type="checkbox"/> No					
10	Ceiling fans					
11	Garage door opener					
12	Garage door opener(s) &					
13	Intercom/downdraft					
14	In-wall speakers					
15	24x7x7 service					
16	Landscape lighting					
		IN WORKING CONDITION				
E. MECHANICAL		Yes	No	Do Not Know	Age If Known	COMMENTS
1	Air conditioning					
2	Exhaustive cooler					
3	Window units					
4	Central					
5	Computer rooms					
6	Air/whole house fan					
7	Vent fans					
8	Humidifier					
9	Air purifier					
10	Stove					
11	Hot tub or spa					
12	Swamp room/dehumidifier					
13	Fuel					
14	Heating system					
15	Type Fuel					
16	Water heater					
17	Type Fuel					
18	Furnace Type					
19	Furnace insert					
20	Stove Type					
21	When was fireplace/wood stove, chimney/flue last cleaned (year) <input type="checkbox"/> Do not know					
22	Fuel tanks <input type="checkbox"/> Owned <input type="checkbox"/> Leased					
23	Radiant heating system <input type="checkbox"/> Interior <input type="checkbox"/> Exterior					
24	Boiler Type					
25	Overhead door					
26	Entry gate system					
27	Elevators/elevators					
28	Liability					
		IN WORKING CONDITION				
F. WATER, SEWER & OTHER UTILITIES		Yes	No	Do Not Know	Age If Known	COMMENTS
1	Water filter system <input type="checkbox"/> Owned <input type="checkbox"/> Leased					
2	Water softener <input type="checkbox"/> Owned <input type="checkbox"/> Leased					
3	Sewer problems <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know					
4	Liability (sewerage service pump)					
5	Drainage, storm sewers, retention ponds					
6	Grey water storage					
7	Flooring problems <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know					
8	Sump pump					
9	Underground sprinkler system					
		IN WORKING CONDITION				

F. WATER, SEWER & OTHER UTILITIES (Continued)		Yes	No	Do Not Know	Age If Known	COMMENTS
10	Fire sprinkler system					
11	Polystyrene pipe					
12	Galvanized pipe					
13	Backflow prevention device					
14	Irrigation pump					
15	Well pump					
G. OTHER DISCLOSURES—IMPROVEMENTS		Yes	No	Do Not Know		COMMENTS
1	Included fixtures and equipment in working condition					
2						
3						
4						

H. GENERAL		Yes	No	Do Not Know	COMMENTS
I. ACCESS, PARKING, DRAINAGE & SIGNAGE		Yes	No	Do Not Know	
1	Any access problems				
2	Roads, driveways, trails or paths through the Property used by others				
3	Public highways at county road border the Property				
4	Easements, boundary disputes or unrecorded easements				
5	Shared or common areas with adjoining properties				
6	Common parking spaces, driveways, easements				
7	Requirements for earth grading/grading, landscaping				
8	Flooding or drainage problems. Past				
9	Flooding or drainage problems. Present				
10	Signs. Government or private restriction problems				
J. WATER & SEWER SUPPLY		Yes	No	Do Not Know	COMMENTS
1	Water Rights				
2	Water tap fees paid in full				
3	Water tap fees paid in full				
4	Subject to easement plan				
5	Well required to be installed				
6	Type of water supply: <input type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Well <input type="checkbox"/> Shared Well <input type="checkbox"/> Cistern <input type="checkbox"/> None <input type="checkbox"/> Other				
If the Property is served by a well, supply to Buyer a copy of the well permit.					
Well Permit # _____ Water Company Name: _____					
7	Type of sanitary sewer service: <input type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Septic System <input type="checkbox"/> None <input type="checkbox"/> Other				
If the Property is served by an on-site septic system, supply to Buyer a copy of the permit and drilling records.					
Type of septic system: <input type="checkbox"/> Tank <input type="checkbox"/> Leach <input type="checkbox"/> Lagoon					

K. ENVIRONMENTAL CONDITIONS		Yes	No	Do Not Know	COMMENTS
To Seller's current actual knowledge, do any of the following conditions exist on or have they existed?					
1	Hazardous materials on the Property, such as radioactive, toxic, or biohazardous materials, asbestos, pesticides, herbicides, wastewater and other sludge, radon, methane, solvents or petroleum products				
2	Underground storage tanks				
3	Aboveground storage tanks				
4	Underground impoundment basins				
5	Permit kept on the Property				
6	Property used as, adjacent to, or adjoining a dump, land fill or municipal solid waste land fill				
7	Maintaining wells or test chambers				
8	Sliding, settling, subsidence, movement or instability of earth or expansive soils of the Property				
9	Mine shafts, tunnels or abandoned wells on the Property				
10	Within governmentally designated geological hazard or sensitive area				
11	Within governmentally designated flood plain or wetland area				
12	Governmentally designated noxious weeds (within last 3 years only) (Yes, see Section O.)				
13	Dead, diseased or infested trees or shrubs				
14	Environmental assessments, studies or reports done involving the physical condition of the Property				
15	Property used for any mining, graveling, or other natural resource extraction operations such as oil and gas wells				
16	Endangered species on the Property				
17	Archaeological features, fossils, or remains on the Property				
18	Other environmental problems				

L. ASSESSMENTS & LIENS		Yes	No	Do Not Know	COMMENTS
1	Property is part of an owners' association				
2	Special assessments or increases in regular assessments approved by owners' association but not yet implemented				
3	Government special improvements approved but not yet installed, which may become a lien against the Property				

M. OTHER DISCLOSURES—GENERAL		Yes	No	Do Not Know	COMMENTS
1	Any part of the Property listed in others (written or oral)				
2	Written reports of any building, site, roofing, soils or engineering investigations or studies of the Property				
3	Work done under an insurance claim				
4	Structural, mechanical and engineering plans and/or specifications for any existing improvements				
5					
6					
7					

III. LAND		Yes	No	Do Not Know	COMMENTS
N. CROPS, LIVESTOCK & LEASES		Yes	No	Do Not Know	
1	Crops being grown on the Property				
2	Seller owns all crops				
3	Livestock on the Property				
4	Any land leased from others				
<input type="checkbox"/> State <input type="checkbox"/> BLM <input type="checkbox"/> Federal <input type="checkbox"/> Private <input type="checkbox"/> Other					

O. NOXIOUS WEEDS		Yes	No	Do Not Know	COMMENTS
The Colorado Weed Management Act became law on January 1, 1992. The law requires that every county or municipality in Colorado adopt a weed management plan, outlining the rules governing identification and method of eradication. The State of Colorado has identified PURPLE LOOSESTRIFE, SPOTTED KNAPWEED, MUSK THISTLE, LEAFY SPURGE, CANADIAN THISTLE, DIFFUSE Knapweed, RUSSIAN Knapweed, DALLMAN TOADFLAX and YELLOW TOADFLAX among others, as noxious weeds.					
To Seller's current actual knowledge, have any of the following occurred on the Property within the last 3 years?					
1	Identification of noxious weeds				
2	Subject to written weed control plan				
3	Herbicide applied				
4	Biological agents or insects released on any of the noxious weeds				
P. OTHER DISCLOSURES—Land		Yes	No	Do Not Know	COMMENTS
1	Any part of the Property included in any governmental program such as Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), etc.				
2	Conservation easement				
3					
4					
5					

Seller and Buyer understand that the real estate brokers do not warrant or guarantee the above information on the Property. Property inspection services may be purchased. This form is not intended as a substitute for an inspection of the Property.

ADVISORY TO SELLER:

Failure to disclose a known material defect may result in legal liability.

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE. Any changes will be disclosed by Seller to Buyer promptly after discovery. Seller hereby receipts for a copy of this Disclosure.

Date: _____ Date: _____
Seller _____ Seller _____

ADVISORY TO BUYER:

Even though Seller has answered the above questions to the best of Seller's current actual knowledge, Buyer should obtain expert assistance to accurately and fully evaluate the Property regarding use and access, water, sewer, utilities, environmental and geological conditions, noxious weeds and other matters that may affect Buyer's use of the Property. Valuable information may be obtained from various local/state/federal agencies, and other experts may perform more specific evaluations of the Property.

Boundaries, location and ownership of fences, driveways, hedges, and similar items may become matters of dispute. A survey may be used to determine such matters.

The contract between Seller and Buyer controls if any item is included or excluded.

Buyer acknowledges that Seller does not warrant that the Property is fit for Buyer's intended purposes or use of the Property. Buyer acknowledges that Seller's indication that an item is "working" is not to be construed as a warranty of its continued operability or as a representation or warranty that such item is fit for Buyer's intended purposes. Buyer hereby receipts for a copy of this Disclosure.

Date: _____ Date: _____
Buyer _____ Buyer _____

G. Brokers acting under 12-61-101(2)(j) C.R.S.

G-1. Repealed (1-6-00)

- [(a) The funds may be withdrawn from the trust fund account at any time for the purpose of returning the funds to the payor thereof in accordance with the terms of the contract or receipt.
- (b) The funds may be withdrawn from the trust or escrow fund account when and if the broker reasonably believes the evidence available that said tenant has obtained a rental through information supplied by or on behalf of the broker.]

G-2. Pursuant to 12-61-113(1.5) C.R.S., every person licensed acting under 12-61-101(2)(j) C.R.S. shall give a prospective tenant a contract or receipt. At the time of acceptance of an advance fee from a prospective tenant, a broker shall provide the prospective tenant with a written contract or receipt which shall include at least the following:

- (a) Name, business address and telephone number of the brokerage company.
- (b) Acknowledgment of receipt of advance fee.
- (c) A description of the services to be performed by the broker, including significant conditions, restrictions and limitations where applicable, and hours of operation.
- (d) The prospective tenant's specifications for the rental property, including but not limited to:
 - (1) Type of structure, e.g., detached single family, apartment, duplex, condominium, mobile home, et cetera.
 - (2) Location by commonly accepted residential area name, by designation of boundary streets and municipality or in any other manner affording a reasonable means of identifying acceptable locations.
 - (3) Furnished or unfurnished.
 - (4) Number of bedrooms.
 - (5) Earliest occupancy date desired.
 - (6) Maximum acceptable monthly rental.
 - (7) Pets.
 - (8) Garage, carport or off-street parking.
- (e) Contract expiration date.
- (f) Date of execution.
- (g) Signatures of the prospective tenant, the broker, and if negotiated by a licensee in the employ of a broker, then the employed licensee shall sign on behalf of the employing broker.
- (h) The address and the phone number of the Real Estate Commission in prominent letters.
- (i) A statement that the regulation of rental location services is under the jurisdiction of the Real

Estate Commission.

(j) Recital in bold face and capitals that:

IF THE INFORMATION CONCERNING RENTAL FURNISHED BY THE BROKER IS SHOWN TO BE NOT CURRENT OR ACCURATE IN REGARD TO THE TYPE OF RENTAL DESIRED, THE FULL FEE SHALL BE REPAYED OR REFUNDED TO THE PROSPECTIVE TENANT UPON WRITTEN DEMAND. CURRENT RENTALS HAVE BEEN VERIFIED AS TO AVAILABILITY WITHIN THE PAST FOUR BUSINESS DAYS.

G-3. Whenever the prospective tenant visits the broker's office, a list of all addresses given to the prospective tenant shall be prepared in duplicate. A copy shall be given to the prospective tenant and the original shall be retained by the broker for a period of 90 days and either affixed to the client's contract or receipt or be placed in the client's file if a separate file is kept. The list shall clearly indicate the following:

- (a) The date the addresses were furnished to the prospective tenant.
- (b) The type of unit, e.g., detached single family residence, apartment, duplex, condominium, mobile home, etc.
- (c) Whether the unit is furnished or unfurnished.
- (d) The date when the unit will be available for occupancy.
- (e) The date when the unit was most recently entered on the agency's listing records.
- (f) The date when the housing accommodation was last verified by the agency to be available for rent.
- (g) The address and municipality of the housing accommodation.
- (h) The name and address of the property owner or their authorized agent and the telephone number, if available.
- (i) The monthly rent required by the landlord.
- (j) The number of bedrooms and total number of rooms.
- (k) Whether a written lease is required and, if so, the minimum lease term required by the landlord.
- (l) Any lawful restrictions as to pets, children, furnishings, occupants or activities imposed by the landlord.

G-4. Repealed effective 1-1-97

G-5. Where addresses are furnished to the prospective tenant by telephone or any other manner not requiring the prospective tenant's presence at the broker's office, the addresses shall be noted on the broker's copy of the list. The list shall indicate by which broker or employee of the broker the addresses were furnished and the broker's copy shall be retained for a period of one year.

G-6. Each broker engaged in locating or assisting in locating rental properties for an advance fee shall abide by the following regulations regarding advertising practices:

- (a) Licensee shall make written registries, posted in a conspicuous place or otherwise disclosed to fee payors, of all advertisements or other publications published or caused to be published by the broker, together with address of each property advertised, the name of the party who offered the property for rent and his or her telephone, if any.
- (b) No property shall be advertised which has not been verified for availability four business days or less before said advertisement shall be printed.
- (c) Each property advertised for rent or lease through the use of any media form shall be assigned a code (and one code only) in accordance with a uniform coding system adopted by the broker, which code shall also appear in any media advertising placed by said broker. Coding of municipalities shall be included within the uniform system so as to be accurately reflected in media advertising.
- (d) A copy of all advertising submitted to any media group for publication (including television, radio, newspaper and mimeographed sheets), together with the name of the person submitting the same, shall be maintained by a broker for a period of one year after publication.
- (e) No licensee acting under 12-61-101(2)(j) C.R.S. shall advertise or furnish a prospective tenant with the address of a prospective rental unless such licensee has received specific authorization to list said property from the owner or owner's authorized agent. Specific authorization may be by writing, signed by the owner or owner's agent, or orally, if the broker notes the name of the owner or owner's agent, the date of authorization, and the telephone number of the person so authorizing.

G-7. Pursuant to 12-61-113(1)(n) C.R.S., a licensee acting under 12-16-101(2)(j) C.R.S. shall be considered unworthy or incompetent in the conduct of their business where:

- (a) The licensee violates Rule G-6.
- (b) With particular respect to media advertising:
 - (1) The property is not actually located in the area represented.
 - (2) The rental price shown is less than that asked by the owner of the available property.
 - (3) The property is non-existent or cannot be verified as currently for rent by the licensee.
 - (4) The specifics of the property advertised differ materially from the property as it exists.
 - (5) A property is advertised in such a way or under such a heading as to indicate the property is of a different type than it actually is. The word "type" refers to such designations as: single family detached residence, duplex, apartment, condominium, townhouse, or mobile home.
- (c) The licensee fails or refuses to abide by the terms of the contract or receipt between himself and a prospective purchaser.
- (d) The broker fails or refuses to refund money pursuant to the terms of the contract or receipt.
- (e) The broker has failed to keep accurate records as specified in these rules or has failed to retain said records for the prescribed time periods.

THE STATEMENT OF BASIS AND PURPOSE FOR THESE RULES AS ADOPTED IS INCORPORATED

HEREIN BY REFERENCE AND IS AVAILABLE FOR INSPECTION IN THE OFFICE OF THE COLORADO REAL ESTATE COMMISSION.

Rules H-1 Through H-26. Repealed.

I. Declaratory Orders.

1. Any person ^{*1} may petition the Commission for a declaratory order to terminate controversies or to remove uncertainties as to the applicability to the petitioner of any statutory provision or of any rule or order of the Commission.

^{*1} refers to existing definition of "person" in APA, rule or statute, if any.

2. The Commission will determine, in its discretion and without prior notice to the petitioner, whether to rule upon any such petition. If the Commission determines it will not rule upon such a petition, the Commission shall issue its written order disposing of the same, stating therein its reasons for such action. A copy of such order shall forthwith be transmitted to the petitioner.

3. In determining whether to rule upon a petition filed pursuant to this rule, the Commission will consider the following matters, among others:

- (a) whether a ruling on the petition will terminate a controversy or remove uncertainties as to the applicability to petitioner of any statutory provision or rule or order of the Commission;
- (b) whether the petition involves any subject, question or issue which is the subject of a formal or informal matter or investigation currently pending before the Commission or a court involving one or more of the petitioners which will terminate the controversy or remove the uncertainties as to the applicability to the petitioner of any statutory provision or of any rule or order of the Commission, which matter or investigation shall be specified by the Commission;
- (c) whether the petition involves any subject, question or issue which is the subject of a formal matter or investigation currently pending before the Commission or a court but not involving any petitioner which will terminate the controversy or remove the uncertainties as to the applicability to the petitioner of any statutory provision or of any rule or order of the Commission, which matter or investigation shall be specified by the Commission and in which petitioner may intervene;
- (d) whether the petition seeks a ruling on a moot or hypothetical question and will result in merely an advisory ruling or opinion;
- (e) whether the petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to rule 57, Colo. R. Civ. P., which will terminate the controversy or remove any uncertainty as to the applicability to the petitioner of the statute, rule or order in question.

4. Any petition filed pursuant to this rule shall set forth the following:

- (a) the name and address of the petitioner and whether the petitioner is licensed pursuant to C.R.S. 1973, 12-61-101, et seq.
- (b) the statute, rule or order to which the petition relates;
- (c) a concise statement of all the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule or order in question applies or potentially applies to the petitioner.

5. If the Commission determines that it will rule on the petition, the following procedures shall apply:
- (a) the Commission may rule upon the petition based solely upon the facts presented in the petition. In such a case:
 - (1) any ruling of the Commission will apply only to the extent of the facts presented in the petition and any amendment to the petition;
 - (2) the Commission may order the petitioner to file a written brief, memorandum or statement of position;
 - (3) the Commission may set the petition, upon due notice to petitioner, for a non-evidentiary hearing;
 - (4) the Commission may dispose of the petition on the sole basis of the matters set forth in the petition;
 - (5) the Commission may request the petitioner to submit additional facts in writing. In such event, such additional facts will be considered as an amendment to the petition;
 - (6) the Commission may take administrative notice of facts pursuant to the Administrative Procedure Act (C.R.S. 1973, 24-4-105(8)) and utilize its experience, technical competence and specialized knowledge in the disposition of the petition;
 - (7) if the Commission rules upon the petition without a hearing, it shall issue its written order, stating therein its basis for the order. A copy of such order shall forthwith be transmitted to the petitioner.
 - (b) The Commission may, in its discretion, set the petition for hearing, upon due notice to the petitioner, for the purpose of obtaining additional facts or information or to determine the truth of any fact set forth in the petition or to hear oral argument on the petition. Notice to the petitioner setting such hearing shall set forth, to the extent known, the factual or other matters into which the Commission intends to inquire. For the purpose of such a hearing, to the extent necessary, the petitioner shall have the burden of proving all of the facts stated in the petition, all of the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule or order in question applies or potentially applies to petitioner and any other facts the petitioner desires the Commission to consider.
6. The parties to any proceeding pursuant to this rule shall be the Commission and the petitioner. Any other person may seek leave of the Commission to intervene in such a proceeding, and leave to intervene will be granted at the sole discretion of the Commission. A petition to intervene shall set forth the same matters as required by section 4 of this rule. Any reference to a "petitioner" in this rule also refers to any person who has been granted leave to intervene by the Commission.
7. Any declaratory order or other order disposing of a petition pursuant to this rule shall constitute agency action subject to judicial review pursuant to C.R.S. 1973, 21-4-106.

*1 refers to existing definition of "person" in APA, rule or statute, if any.

J. Repealed

S. For Subdivision Developers

Approved by the Attorney General and the Executive Director of the Department of Regulatory Agencies.

In pursuance of and in compliance with Title 12, Article 61, C.R.S. 1973, as amended, and in pursuance of and in compliance with Title 24, Article 4, C.R.S. 1973, as amended.

- S-1. The Registration and Certification of Subdivision Developers under Title 12, Article 61, Part 4, C.R.S. does not exempt the subdivision developer from the requirements for the licensing of real estate brokers under Title 12, Article 61, Part 1, C.R.S. Exemptions from the licensing of real estate brokers are made only under 12-61-101(4) C.R.S.
- S-2. The person, firm, partnership, joint venture, limited liability company, association, corporation or other legal entity, or combination thereof, who will sign as seller or lessor in any contract of sale, lease or on any deed purporting to convey any site, tract, lot or divided or undivided interest from a subdivision, as defined in 12-61-401(3) C.R.S., must secure a Subdivision Developer's Certificate before negotiating or agreeing to sell, lease or transfer and before any sale, lease or transfer is made. If such person is acting only as a trustee, the beneficial owner of the Subdivision must secure a Subdivision Developer's Certificate.
- S-3. If an applicant is a corporation, the individual applying on behalf of the corporation shall be an officer or director authorized to apply on behalf of said corporation.
- S-4. If the applicant is a partnership, one of the general partners of the partnership shall apply on behalf of the partnership.
- S-5. If the applicant is a joint owner of the subdivision, such applicant may apply on behalf of all Joint owners of such subdivision.
- S-6. If the applicant is a limited liability company, one of the managers or member-managers shall apply on behalf of the company.
- S-7. The Real Estate Commission shall issue a certificate, refuse certification or demand further information within sixty (60) days from the date of receipt of the application by the Commission.
- S-8. If additional information is required by the Real Estate Commission, the Commission shall give written notice in detail of the information so required and shall allow an additional sixty (60) days to present such material before cancellation of the application, which period may be extended only upon showing of good cause.
- Rule S-9. Repealed.
- Rule S-10. Repealed.
- S-11. Notification must be made to the Real Estate Commission within 10 days of any change in the principal office address of the developer or the natural person.
- S-12. Pursuant to 12-61-405 C.R.S., any subdivision developer who has received written notification from the Commission that a complaint has been filed against the developer, shall submit a written answer to the Commission within a reasonable time set by the Commission.
- S-13. Repealed.
- S-14. Failure to submit any written response required by S-13 shall be grounds for disciplinary action unless the Commission has granted an extension of time or, unless such answer would subject such person to a criminal penalty.

S-15. Records as required under Title 12, Article 61, Parts 1-8 C.R.S. and rules promulgated by the Commission, may be maintained in electronic format. An electronic record as defined in 24-71.7-103 C.R.S. means a record generated, communicated, received, or stored by electronic means. Such electronic records must be in a format that has the continued capability to be retrieved and legibly printed. Upon request of the Commission, or by any principal party to a transaction, printed records shall be produced.

S-16. Repealed.

S-17. In compliance with 12-61-403 the applicant for a subdivision developer's certificate shall provide the Commission with the following information concerning the subdivision(s) to be registered:

- (a) The address or actual physical location of each subdivision from which sales are intended to be made.
- (b) Copies of a recorded deed or other documents evidencing the title or other interest in the subdivision and a title commitment, policy or report, abstract and opinion, or other evidence acceptable to the Commission documenting the condition of such title or interest.
- (c) Sample copies of contracts of sale, notes, deeds and other legal documents prepared by the developer or an attorney representing the developer which are to be used to effectuate the sale or lease. The commission may disapprove the form of the documents submitted and may deny an application for registration until such time as the applicant submits such documents in a form that is satisfactory to the commission.
- (d) In compliance with 12-61-403(3)(e) C.R.S., a subdivision developer of time share use projects shall submit to the Commission a "Nondisturbance Agreement" by which the holder of a blanket encumbrance against the project agrees that its rights in the time share use project shall be subordinate to the rights of the purchasers. From and after the recording of a nondisturbance agreement, the person executing the same, such person's successors and assigns, and any person who acquires the property through foreclosure or by deed in lieu of foreclosure of the blanket encumbrance, shall take the time share use project subject to the rights of purchasers. Every nondisturbance agreement shall contain the covenant of the holder of the blanket encumbrance that such person or any other person acquiring through such blanket encumbrance shall not use or cause the time share use project to be used in a manner which would prevent the purchasers from using and occupying the time share use project in a manner contemplated by the time share use plan. Any other "trust" or "escrow" arrangement which fully protects the purchasers' interest in the project as contemplated by 12-61-403(3)(e) C.R.S. will be approved by the Real Estate Commission.
- (e) If the developer of a subdivision is other than a natural person, proof of registration in accordance with state and local requirements shall accompany the application.
- (f) Copies of the recorded declaration, covenants, filed articles of incorporation and bylaws of any owners association.

S-18. Repealed (1-1-95)

S-19. Repealed (1-1-95)

S-20. Pursuant to 12-61-403(3)(e) C.R.S. where a subdivision developer receives cash or receivables from a purchaser for an uncompleted project, the Commission will register such developer only after:

- (a) The developer establishes an escrow account, with an independent escrow agent, of all funds and receivables received from purchasers: or,
- (b) The developer obtains a letter of credit or bond payable to an independent escrow agent or any other financial arrangement, the purpose of which is to ensure completion of accommodations and facilities and to protect the purchaser's interest in the accommodations and facilities.

S-21. A subdivision developer shall furnish to the Commission such additional information as the Commission shall from time to time deem necessary for the enforcement of Title 12, Article 61, Part four C.R.S.

S-22. Renewal of the registration and certification as a subdivision developer can be executed only on the renewal application provided by the Commission accompanied by the proper fees by December 31st of each year.

S-23. Pursuant to 12-61-406(2.5)(a) C.R.S. and 12-61-406(3) C.R.S., subdivision developers shall supply the following information to the Commission in addition to the requirements of 12-61-403 C.R.S. and 404(4) C.R.S. and prior to contracting with the public shall disclose to prospective purchasers in the sales contract or in a separate written disclosure document, the following:

- (a) The name and address of the developer and of the subdivision lots or units;
- (b) An explanation of the type of ownership or occupancy rights being offered;
- (c) A general description of all amenities and accommodations. The description must include the specific amenities promised, ownership of such amenities, the projected completion date of any amenities to be constructed, and a statement setting forth the type of financial arrangements established in compliance with Rule S-20;
- (d) In compliance with 12-61-405(1)(i), a statement in bold print immediately prior to the purchaser's signature line on the sales contract disclosing the rescission right available to purchasers and that the rescission right cannot be waived; the minimum allowable rescission period in Colorado is five days;
- (e) A general description of all judgments and administrative orders issued against the seller, developer, homeowners association or managing entity which are material to the subdivision plan;
- (f) Any taxes or assessments, existing or proposed, to which the purchaser may be subject or which are unpaid at the time of contracting, including obligations to special taxing authorities or districts;
- (g) A statement that sales will be made by brokers licensed by the State of Colorado unless specifically exempted pursuant to C.R.S. 12-61-101(4) and the sales contract shall disclose the name of the real estate brokerage firm and the name of the broker establishing a brokerage relationship with the developer;
- (h) When a separate document is used to make any of the disclosures required in this Rule S-23, this statement must appear in bold print on the first page of the document and preceding the disclosure: The State of Colorado has not prepared or issued this document nor has it passed on the merits of the subdivision described herein;
- (i) A statement that all funds paid by the purchaser prior to delivery of deed will be held in trust by the licensed real estate broker named in the contract or a clear statement specifically

setting forth who such funds shall be delivered to, when such delivery will occur, the use of said funds and whether or not there is any restriction on the use of such funds (This must be disclosed in contract);

(j) A statement that immediately following the date of closing, the purchaser's deed will be delivered to the Clerk and Recorder's office for recording or a clear statement specifically setting forth when such delivery will occur; for the purposes of this Rule, the date of closing is defined as the date the purchaser has either paid the full cash purchase price or has made partial cash payment and executed a promissory note or other evidence of indebtedness for the balance (See Rule S-30) (This must be disclosed in the contract);

(k) A statement that a title insurance policy, at no expense to the purchaser, will be delivered within sixty days following recording of deed unless specifically agreed to the contrary in the contracting instrument (See Rule S-31) (This must be disclosed in contract);

(1) Where an installment contract is used:

(i.) Whether or not the purchaser's deed is escrowed with an independent escrow agent and if so the name and address of the escrow agent (This must be disclosed in contract);

(ii.) The amount of any existing encumbrance(s), the name and address of the encumbrancer, and the conditions, if any, under which a purchaser may cure a default caused by non-payment;

(iii.) A clear statement that a default on any underlying encumbrance(s) could result in the loss of the purchaser's entire interest in the property; and

(iv.) A clear statement advising the purchaser to record the installment contract.

(v) Pursuant to 12-61-403(3)(e) C.R.S., an agreement by which the holder of any blanket encumbrance against the project agrees that its rights and the rights of its successors or assigns in the project shall be subordinate to the rights of purchasers, or any other "trust", "escrow" or release arrangement which fully protects the purchasers' interest in the project.

(m) The provisions for and availability of legal access, roads, sewage disposal, public utilities, including water, electricity, gas, telephone and other promised facilities in the subdivision, and whether these are to be an expense of the developer, the purchaser or a third party;

(n) If the subdivision has a homeowners or similar association:

(i.) Whether membership in such association is mandatory;

(ii.) An estimate of association dues and fees which are the responsibility respectively of the purchaser and the developer;

(iii.) A description of the services provided by the association;

(iv.) Whether the developer has voting control of the association and the manner in which such control can or will be transferred; and

(v.) Whether the developer has any financial interest in or will potentially derive any income or profit from such association, including the developer's right to borrow or authorize borrowing from the association.

(o) In addition to the disclosures in (a) through (n) above, if sales are to be made from a time share project as defined in 12-61-401(4):

- (i.) A description of the time share units including the number of time share units, the length and number of time share interests in each unit, and the time share periods constituting the time share plan;
- (ii.) The name and business address of the managing entity under the time share plan, a description of the services that the managing entity will provide, and a statement as to whether the developer has any financial interest in or will potentially derive any income or profit from such managing entity, and the manner, if any, by which the purchaser or developer may change the managing entity or transfer the control of the managing entity;
- (iii.) An estimate of the dues, maintenance fees, real property taxes and similar periodic expenses which are the responsibility respectively of the purchaser and the developer and a general statement of the conditions under which future changes or additions may be imposed. Such estimate will include a statement as to whether a maintenance reserve fund has been or will be established; the manner in which such reserve fund is financed if not cash funded; an accounting of any outstanding obligations either in favor of or against the fund; the developer's right to borrow or authorize borrowing from the fund; and the method of periodic accounting which will be provided to the purchaser;
- (iv.) A description of any insurance coverage provided for the benefit of purchasers; and
- (v.) That mechanic's liens law may authorize enforcement of the lien by selling the entire time share unit.

(p) In addition to the disclosures in (a) through (o) above, if sales are to be made from a time share use project as defined in 12-61-401(4):

- (i.) The specific term of the contract to use and what will happen to a purchaser's interest upon termination of said contract;
- (ii.) A statement as to the effect a voluntary sale, by the developer to a third party, will have on the contractual rights of time share owners;
- (iii.) A statement that an involuntary transfer by bankruptcy of the developer may have a negative effect on the rights of the time share owners; and
- (iv.) A statement that a Federal tax lien could be enforced against the developer by compelling the sale of the entire time share project.

(q) If time shares, as defined in 12-61-401(4), are to be sold from a subdivision which: (1) contains two or more component sites situated at different geographic locations or governed by separate sets of declarations, by-laws or equivalent documents; and (2) does not include, subject to agreed upon rules and conditions, a guaranteed, recurring right of use or occupancy at a single component site:

- (i) For each component site, the information and disclosures required by Rule S-23(a) through (p);
- (ii) A general description of the subdivision;

- (iii) For each term of usage or interest offered for sale, the total annual number of available daily use periods within the entire subdivision and within each component site for that term, regardless of whether such use periods are offered to a purchaser by days, weeks, points or otherwise, and a calculation represented on a chart or grid showing each component site's annual daily use periods as a percentage of the entire subdivision's annual daily use periods;
- (iv) A clear description in the sales contract of the interest and term of usage being purchased and a definite date of termination of the purchaser's interest in the subdivision, which date will be not later than the termination date of the subdivision's interest in a specifically identified component site;
- (v) A clear disclosure and description of any component site which is not legally guaranteed to be available for the purchaser's use, subject to the by-laws and rules of the subdivision, for the full term of the purchaser's usage interest;
- (vi) The system and method in place to assure maintenance of no more than a one-to-one ratio of purchasers' use rights to the number of total use rights in the subdivision for each term of usage being offered for sale, including provisions for compensation to purchasers resulting from destruction of a component site or loss of use rights to any component site;
- (vii) Whether the developer maintains any type of casualty insurance for the component sites in addition to that maintained by the site owners association or other interested parties, including the manner of disposition of any proceeds of such insurance resulting from the destruction or loss of use rights to any component site;
- (viii) A description of the system or program by which a purchaser obtains a recurring right to use and occupy accommodations and facilities in any component site through use of a reservation system or otherwise, including any restrictions on such rights or any method by which a purchaser is denied an equal right with all other users to obtain the use of any accommodation in the subdivision;
- (ix) A description of the management and ownership of such reservation system or program, whether through the developer, an owners association, a club or otherwise, including the purchaser's direct or indirect ownership interest or rights of control in such reservation system;
- (x) Whether the developer, club or association which controls the reservation system or any other person has or is granted any interest in unsold, non-reserved or unused use rights and whether the developer, club, association or other person may employ such rights to compete with purchasers for use of accommodations in the subdivision or any component site and, if so, the nature and specifics of those rights, including the circumstances under which they may be employed;
- (xi) The method and frequency of accounting for any income derived from unsold, non-reserved or unused use rights in which the purchaser, either directly or indirectly, has an interest;
- (xii) The system and method in place, including business interruption insurance or bonding, to provide secure back-up or replacement of the reservation system in the event of interruption, discontinuance or failure;
- (xiii) The amount and details of any component site, reservation system or other periodic

expense required to be paid by a purchaser, the name of the person or entity to which such payments shall be made, and the method by which the purchaser shall receive a regular periodic accounting for such payments;

- (xiv) If component site expenses are included in those periodic payments made by a purchaser, a statement for each component site from the owners association or other responsible agency acknowledging that payment of such expenses as taxes, insurance, dues and assessments are current and are being made in the name of the subdivision;
- (xv) Evidence that an escrow system with an independent escrow agent is in place for receipt and disbursement of all moneys collected from purchasers that are necessary to pay such expenses as taxes, insurance and common expenses and assessments owing to component site owners associations or others or a clear description of the method by which such funds will be paid, collected, held, disbursed and accounted for;
- (xvi) A clear statement in the sales contract as to whether a purchaser's rights, interests or terms of usage for any component site within the subdivision can subsequently be modified from those terms originally represented and a description of the method by which such modification may occur;
- (xvii) If the subdivision documents allow additions or substitutions of accommodations or component sites, a clear description of the purchaser's rights and obligations concerning such additions or substitutions and the method by which such additions or substitutions will comply with the provisions of this rule;
- (xviii) A clear description of any existing incidental benefits or amenities which are available to the purchaser at the time of sale but to which the purchaser has no guaranteed right of recurring use or enjoyment during the purchaser's full term of interest in the subdivision.

S-24. A time share developer shall disclose to the public whether or not a time share plan involves an exchange program and, if so, shall disclose and deliver to prospective purchasers, a separate written document, which may be provided by an exchange company if the document discloses the following information:

- (a) The name and the business address of the exchange company;
- (b) Whether the purchaser's contract with the exchange program is separate and distinct from the purchaser's contract with the time share developer;
- (c) Whether the purchaser's participation in the exchange program is dependent upon the time share developer's continued affiliation with the exchange program;
- (d) Whether or not the purchaser's participation in the exchange program is voluntary;
- (e) The specific terms and conditions of the purchaser's contractual relationship with the exchange program and the procedure by which changes, if any, may be made in the terms and conditions of such contractual relationship;
- (f) The procedure of applying for and effecting changes;
- (g) A complete description of all limitations, restrictions, accrual rights, or priorities employed in the operation of the exchange program, including but not limited to limitations on

exchanges based on seasonability, unit size, or levels of occupancy; and if the limitations, restrictions or priorities are not applied uniformly by the exchange program, a complete description of the manner of their application;

- (h) Whether exchanges are arranged on a space-available basis or whether quarantees of fulfillment of specific requests for exchanges are made by the exchanging company;
- (i) Whether and under what conditions, a purchaser may, in dealing with the exchange program, lose the use and occupancy of the time share period in any properly applied for exchange without being offered substitute accommodations by the exchange program;
- (j) The fees for participation in the exchange program, whether the fees may be altered and the method of any altering;
- (k) The name and location of each accommodation or facility, including the time sharing plans participating in the exchange program.

S-25. All approvals for the use of reservation agreements issued pursuant to 12-61-402(2) C.R.S. shall expire on December 31 following the date of issuance. Approval shall be renewed, except as provided in section 12-61-405C.R.S., by payment of a renewal fee established pursuant to section 12-61-111.5 and completion of a renewal application.

S-26. Upon request of the Commission pursuant to an investigation, a subdivision developer shall file with the Real Estate Commission an audited financial statement in conformity with accepted accounting principles, and sworn to by the developer as an accurate reflection of the financial condition of the developer and/or the owners association controlled by the developer.

S-27 . (NEW) Any adverse order, judgment, or decree entered in connection with the subdivided lands by any regulatory authority or by any court of appropriate jurisdiction shall be filed with the Real Estate Commission by the developer within thirty (30) days of such order, judgment or decree being final.

S-28 .

- (a) A subdivision developer is not required to file amendments to its registration filed with the Real Estate Commission when revisions are made to documents previously submitted to the Commission so long as the revised documents continue to (i) comply with title 12, article 61, part 4 C.R.S. and the rules and regulations promulgated thereunder; and (ii) to reflect accurately the subdivision offering.
- (b) Notwithstanding the above, and in addition to the notice requirements under ruleS-11 and rule S-27, subdivision developers shall provide the Commission with notice of the following events within ten (10) days after such event, unless otherwise provided below:
 - (1) A change in the information provided in the registration pursuant to sections 12-61-403 (2)(a)(iv), (vi), (vii) or (viii) C.R.S.;
 - (2) A change in the terms of any non-disturbance agreements or partial release provisions in connection with any documents previously submitted to the Commission pursuant to section 12-61-403 (3)(e) C.R.S. and rule S-17 (d);
 - (3) Any new lien encumbering the subdivision or any part thereof other than encumbrances created or permitted by purchasers;
 - (4) The termination or transfer of any escrow account, letter of credit, bond, or other

financial assurance approved by the Commission pursuant to rule S-20, notice of which shall be filed with the Commission prior to the effective date of such termination or transfer;

(5) Cancellation, revocation, suspension, or termination of the subdivision developer's authority to do business in this state; and

(6) Any lis pendens, lawsuit or other proceeding filed against the subdivision or subdivision developer affecting the subdivision developer's ability (i) to convey marketable title to the registered subdivision or any interest therein or (ii) to perform the subdivision developer's obligations in connection with the registered subdivision.

(c) Notification under this rule S-28 shall be made on a form approved by the Commission. The subdivision developer shall have a period of ten (10) days after receipt of notice to take such action as may be required by the Commission in connection with any filings made under this rule S-28.

(d) Within ten (10) days after receipt of a written request from the Commission, a subdivision developer shall have the duty to provide to the Commission copies of all documents then in use at the subdivision.

S-29 . (NEW) No subdivision developer shall make misrepresentations regarding future availability or costs of services, utilities, character and/or use of real property for sale or lease of the surrounding area.

Rule S-30. (a) Unless sale is by means of an installment contract the delivery of deed shall be made within sixty days after closing. For the purposes of this Rule, the date of closing is defined as the date the purchaser has either paid the full cash purchase price or has made partial cash payment and executed a promissory note or other evidence of indebtedness for the balance (This must be disclosed in the contract).

(b) If sale is by means of an installment contract, the delivery of deed shall be made within sixty days after completion of payments. A contract which requires the execution of a promissory note or other evidence of indebtedness that accrues interest and/or requires payments prior to the recording of a deed shall be deemed to be an installment contract pursuant to 12-61-403(3)(g) C.R.S. and Commission S-23.

NEW Rule S-31. An abstract of title or title insurance policy shall be delivered within a reasonable time after completion of payments by a purchaser. Any period of time exceeding sixty days shall be deemed unreasonable for purposes of this rule. The parties may contract to eliminate this requirement, but such waiver must be in writing and in a conspicuous manner and/or print. The presence of waiver on the back of a contract shall not be deemed conspicuous for purposes of this rule.

Rule S-32. All developers shall provide a title insurance commitment or other evidence of title approved by the Commission within a reasonable time after execution of any contract to purchase. Any period of time in excess of ninety (90) days shall be deemed unreasonable for purposes of this rule. This requirement may be waived by the parties in writing if the waiver is made in a conspicuous manner and/or print. The presence of the waiver on the back of a contract shall not be deemed conspicuous for purposes of this rule.

THE STATEMENT OF BASIS AND PURPOSE FOR THESE RULES AS ADOPTED IS INCORPORATED HEREIN BY REFERENCE AND IS AVAILABLE FOR INSPECTION IN THE OFFICE OF THE COLORADO REAL ESTATE COMMISSION.

S-33. Declaratory Orders

1. Any person ^{*1} may petition the Commission for a declaratory order to terminate controversies or to remove uncertainties as to the applicability to the petitioner of any statutory provision or of any rule or order of the Commission.

^{*1} refers to existing definition of "person" in APA, rule or statute, if any.

2. The Commission will determine, in its discretion and without prior notice to the petitioner, whether to rule upon any such petition. If the Commission determines it will not rule upon such a petition, the Commission shall issue its written order disposing of the same, stating therein its reasons for such action. A copy of such order shall forthwith be transmitted to the petitioner.
3. In determining whether to rule upon a petition filed pursuant to this rule, the Commission will consider the following matters, among others:
 - (a) whether a ruling on the petition will terminate a controversy or remove uncertainties as to the applicability to petitioner of any statutory provision or rule or order of the Commission;
 - (b) whether the petition involves any subject, question or issue which is the subject of a formal or informal matter or investigation currently pending before the Commission or a court involving one or more of the petitioners which will terminate the controversy or remove the uncertainties as to the applicability to the petitioner of any statutory provision or of any rule or order of the Commission, which matter or investigation shall be specified by the Commission;
 - (c) whether the petition involves any subject, question or issue which is the subject of a formal matter or investigation currently pending before the Commission or a court but not involving any petitioner which will terminate the controversy or remove the uncertainties as to the applicability to the petitioner of any statutory provision or of any rule or order of the Commission, which matter or investigation shall be specified by the Commission and in which petitioner may intervene;
 - (d) whether the petition seeks a ruling on a moot or hypothetical question and will result in merely an advisory ruling or opinion;
 - (e) whether the petitioner has some other adequate legal remedy, other than an action for declaratory relief pursuant to rule 57, Colo. R. Civ. P., which will terminate the controversy or remove any uncertainty as to the applicability to the petitioner of the statute, rule or order in question.
4. Any petition filed pursuant to this rule shall set forth the following:
 - (a) the name and address of the petitioner and whether the petitioner is licensed pursuant to C.R.S. 1973, 12-61-401, et seq.
 - (b) the statute, rule or order to which the petition relates;
 - (c) a concise statement of all the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule or order in question applies or potentially applies to the petitioner.
5. If the Commission determines that it will rule on the petition, the following procedures shall apply:

- (a) the Commission may rule upon the petition based solely upon the facts presented in the petition. In such a case:
 - (1) any ruling of the Commission will apply only to the extent of the facts presented in the petition and any amendment to the petition;
 - (2) the Commission may order the petitioner to file a written brief, memorandum or statement of position;
 - (3) the Commission may set the petition, upon due notice to petitioner, for a non-evidentiary hearing;
 - (4) the Commission may dispose of the petition on the sole basis of the matters set forth in the petition;
 - (5) the Commission may request the petitioner to submit additional facts in writing. In such event, such additional facts will be considered as an amendment to the petition;
 - (6) the Commission may take administrative notice of facts pursuant to the Administrative Procedure Act (C.R.S. 1973, 24-4-105(8)) and utilize its experience, technical competence and specialized knowledge in the disposition of the petition;
 - (7) if the Commission rules upon the petition without a hearing, it shall issue its written order, stating therein its basis for the order. A copy of such order shall forthwith be transmitted to the petitioner.
 - (b) The Commission may, in its discretion, set the petition for hearing, upon due notice to the petitioner, for the purpose of obtaining additional facts or information or to determine the truth of any fact set forth in the petition or to hear oral argument on the petition. Notice to the petitioner setting such hearing shall set forth, to the extent known, the factual or other matters into which the Commission intends to inquire. For the purpose of such a hearing, to the extent necessary, the petitioner shall have the burden of proving all of the facts stated in the petition, all of the facts necessary to show the nature of the controversy or uncertainty and the manner in which the statute, rule or order in question applies or potentially applies to petitioner and any other facts the petitioner desires the Commission to consider.
6. The parties to any proceeding pursuant to this rule shall be the Commission and the petitioner. Any other person may seek leave of the Commission to intervene in such a proceeding, and leave to intervene will be granted at the sole discretion of the Commission. A petition to intervene shall set forth the same matters as required by section 4 of this rule. Any reference to a "petitioner" in this rule also refers to any person who has been granted leave to intervene by the Commission.
7. Any declaratory order or other order disposing of a petition pursuant to this rule shall constitute agency action subject to judicial review pursuant to C.R.S. 1973, 24-4-106.

Rule S-34. Repealed.

Rule S-35. Failure to disclose to subdivision purchasers the availability of legal access, sewage disposal, public utilities, including water, electricity, gas and telephone facilities in the subdivision and at whose expense, when proven, is a violation of C.R.S. 12-61-405(1) (b). (Statement of

Basis and Purpose as adopted by the Real Estate Commission on October 5, 1988.)

S-36 Pursuant to 12-61-405(1)(e) C.R.S., 12-61-406(2.5) (b) C.R.S. and 12-61-406(4) C.R.S., a developer shall maintain in a Colorado place of business, and produce for inspection upon reasonable request by an authorized representative of the Commission, copies of the following documents and business records:

- (1) The sales contract, transfer or lease agreement, installment sale agreement, financing agreement, buyer and seller settlement statement, title policy or commitment, trust deed, escrow agreement, and other documents executed by the parties or on behalf of the developer in the sale, lease or transfer of any interest in a subdivision.
- (2) Records showing the receipt and disbursement of any money or assets received or paid on behalf of any homeowner or similar association managed or controlled by a developer.