



The printed portions of this form have been approved by the Colorado Real Estate Commission. (BC 17-1-03)

THIS IS A BINDING CONTRACT. THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

Compensation charged by real estate brokerage firms is not set by law. Such charges are established by each real estate brokerage firm.

DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE BUYER AGENCY, SELLER AGENCY, OR TRANSACTION-BROKER.

**EXCLUSIVE RIGHT-TO-BUY CONTRACT
(BUYER AGENCY)
(FOR ALL TYPES OF PROPERTIES)**

Date: February 17, 2004

1. AGREEMENT. Buyer and Brokerage Firm enter into this exclusive, irrevocable contract as of the date set forth above.

2. AGENCY RELATIONSHIP.

a. Multiple-Person Firm. If this box is checked, the individual designated by Brokerage Firm to serve as the limited agent of Buyer and to perform the services for Buyer required by this contract is called Broker. If more than one individual is so designated, then references in this contract to Broker shall include all persons so designated, including substitute or additional brokers. The agency relationship exists only with the designated Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

b. One-Person Firm. If this box is checked, Broker is a real estate brokerage firm that consists of one licensed natural person. In such case, references in this contract to Broker means both the licensed natural person and Brokerage Firm, who serve as the limited agent of Buyer and perform the services for Buyer required by this contract.

3. DEFINED TERMS.

a. Buyer:

(Client)

and any other person or entity on whose behalf the named party acts, directly or indirectly to Purchase the Property.

b. Brokerage Firm: n/a

c. Broker: n/a

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

n/a

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 which owns the Property.

f. Term. The Term of this contract shall begin on n/a, and shall continue through the earlier of (i) completion of the Purchase of the Property or (ii) n/a. Broker shall continue to assist in the completion of any transaction for which compensation is payable to Brokerage Firm under § 6 of this contract.

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57 **g. Applicability of Terms.** A check or similar mark in a box means that such provision is applicable. The
58 abbreviation "N/A" means not applicable.

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60 **4. BROKERAGE SERVICES AND DUTIES.** Brokerage Firm, acting through Broker, shall provide brokerage
61 services to Buyer. Broker shall exercise reasonable skill and care for Buyer, and make reasonable efforts to locate the
62 Property.

63 **a.** Broker, as Buyer's Agent, shall promote the interests of Buyer with the utmost good faith, loyalty, and fidelity,
64 including but not limited to:

- 65 (1) Seeking a price and terms which are acceptable to Buyer, except that Broker shall not be obligated to
66 seek other properties while Buyer is a party to a contract to purchase the Property;
- 67 (2) Procuring acceptance of any offer to purchase the Property and to assist in the completion of the
68 transaction;
- 69 (3) Presenting all offers to and from Buyer in a timely manner, regardless of whether Buyer is already a
70 party to a contract to purchase the Property;
- 71 (4) Disclosing to Buyer adverse material facts actually known to Broker;
- 72 (5) Counseling Buyer as to any material benefits or risks of the transaction which are actually known
73 to Broker;
- 74 (6) Advising Buyer to obtain expert advice as to material matters about which Broker knows but the
75 specifics of which are beyond the expertise of Broker;
- 76 (7) Accounting in a timely manner for all money and property received, and

77 **b.** Broker shall not disclose to the seller or any other third party, without the informed consent of Buyer:

- 78 (1) That Buyer is willing to pay more than the purchase price for the Property;
- 79 (2) What Buyer's motivating factor(s) are;
- 80 (3) That Buyer will agree to financing terms other than those offered;
- 81 (4) Any material information about Buyer unless disclosure is required by law or failure to disclose such
82 information would constitute fraud or dishonest dealing; and
- 83 (5) Any facts or suspicions regarding circumstances which would psychologically impact or stigmatize
84 the Property.

85 **c.** Buyer shall not be vicariously liable for the acts of Broker that are not approved, directed or ratified by Buyer.

86 **d.** Broker has no duty to conduct an independent inspection of the property for the benefit of Buyer and has
87 no duty to independently verify the accuracy or completeness of statements made by a seller or independent inspectors.
88 Broker has no duty to conduct an independent investigation of Buyer's financial condition or to verify the accuracy or
89 completeness of any statement made by Buyer.

90 **e.** Broker shall disclose to any prospective seller all adverse material facts actually known by Broker, including
91 but not limited to adverse material facts concerning Buyer's financial ability to perform the terms of the transaction
92 and whether Buyer intends to occupy the Property as a principal residence.

93 **f. In-Company Transactions - Different Brokers.** When the seller and Buyer in a transaction are working
94 with different brokers, those brokers continue to conduct themselves consistent with the brokerage relationships they
95 have established with their respective clients. Buyer acknowledges that Brokerage Firm is allowed to offer and pay
96 compensation to brokers within Brokerage Firm working with a seller.

97 **g. In-Company Transactions - One Broker.** If the seller and Buyer are working with the same broker the
98 following applies:

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100 **Check One Box Only**

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102 **(1) Buyer's Agent.** If this box is checked, Broker shall represent Buyer as Buyer's Agent and shall treat the
103 seller as a customer. A customer is a party to a transaction with whom Broker has no brokerage relationship. Broker shall
104 disclose to such customer Broker's relationship with Buyer.

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106 **(2) Buyer's Agent Unless Brokerage Relationship With Both.** If this box is checked, Broker shall represent
107 Buyer as Buyer's Agent and shall treat the seller as a customer, unless Broker currently has or enters into an agency
108 or Transaction-Broker relationship with the seller, in which case Broker shall act as a Transaction-Broker.

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110 **(3) Transaction-Broker.** If this Box is checked, Broker shall (if also permitted by seller) act as a Transaction-
111 Broker. When acting as a Transaction-Broker, a broker assists the parties throughout a contemplated real estate
112 transaction with communication, interposition, advisement, negotiation, contract terms and the closing of the transaction
113 without being an agent or advocate for the interests of either party to the transaction. Broker, when acting as a Transaction-
114 Broker, may disclose any information to one party that Broker gains from the other party if the information is relevant to

115 the transaction or party, except Broker shall not disclose the following information without prior consent:

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- 117 (a) That Buyer is willing to pay more than the purchase price offered for the Property;
- 118 (b) That seller is willing to accept less than the asking price for the Property;
- 119 (c) What the motivating factors are for any party buying or selling the Property;
- 120 (d) That seller or Buyer will agree to financing terms other than those offered;
- 121 (e) Any material information about the other party unless:
- 122 (1) the disclosure is required by law,
- 123 (2) the disclosure pertains to adverse material facts about Buyer's financial ability to perform the
- 124 terms of the transaction,
- 125 (3) the disclosure pertains to Buyer's intent to occupy the Property as a principal residence, or
- 126 (4) failure to disclose such information would constitute fraud or dishonest dealing.

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128 **5. BUYER'S OBLIGATIONS TO BROKER.** Buyer agrees to conduct all negotiations for the Property only

129 through Broker, and to refer to Broker all communications received in any form from real estate brokers, prospective

130 sellers, or any other source during the Term of this contract.

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132 **6. COMPENSATION TO BROKERAGE FIRM.** In consideration of the services to be performed by Broker, Buyer

133 shall pay Brokerage Firm as set forth in this Section, with no discount or allowance for any efforts made by Buyer or any

134 other person.

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136 **a. Success Fee.** Brokerage Firm shall be paid as follows:

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138 (1) A fee equal to n/a % of the purchase price, but not less than \$ n/a , except as

139 provided in subsection 6a(2).

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141 (2) n/a

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143 (3) Brokerage Firm shall be entitled to receive additional compensation, bonuses, and incentives, paid by

144 Seller or Listing Firm.

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146 (4) The Success Fee is earned upon the Purchase of the Property and is payable upon closing of the

147 transaction(s). If any transaction fails to close as a result of Seller's default, with no fault on the part of Buyer, the

148 Success Fee shall be waived. If any transaction fails to close as a result of Buyer's default, in whole or in part, the

149 Success Fee shall not be waived; such fee shall be payable upon Buyer's default, but in any event not later than the

150 date that the closing of the transaction(s) was to have occurred. This fee shall apply to Property contracted for during

151 the Term of this contract or any extension(s) and shall also apply to Property contracted for within n/a days

152 after this contract expires or is terminated (Holdover Period) if the Property is one on which Broker negotiated and if

153 Broker submitted its address or other description in writing to Buyer during the Term. Provided, however, if a

154 commission is earned by another licensed real estate broker acting pursuant to an agreement with Buyer entered into

155 during the Holdover Period, Buyer shall owe no commission to Broker under this subsection.

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157 Broker is authorized and instructed to request payment of Brokerage Firm's fee in any of the following indicated

158 methods:

159 **By listing firm**

160 **By seller from the transaction**

161 **Other:**

162 n/a

163 **UNLESS BROKERAGE FIRM IS PAID AS SET FORTH ABOVE, BUYER IS OBLIGATED TO**

164 **PAY BROKERAGE FIRM'S FEE.**

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166 **b. Hourly Fee.** Buyer shall pay to Brokerage Firm at the rate of \$ n/a per hour for time spent by

167 Broker pursuant to this contract, to be paid to Brokerage Firm when billed to Buyer.

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169 **c. Retainer Fee.** Buyer shall pay Brokerage Firm a nonrefundable retainer fee of \$ n/a due and

170 payable upon signing of this contract. This amount **Shall** **Shall Not** be credited against fees payable to

171 Brokerage Firm under this section.

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173 **d. Other.**

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7. LIMITATION ON THIRD-PARTY COMPENSATION. Except as set forth in §6, Broker nor Brokerage Firm shall accept compensation from the seller or the listing firm, without the written consent of Buyer. 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 Buyer signs a separate written consent for such services.

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

9. SHOWING PROPERTIES. Buyer acknowledges that Broker has explained the possible methods used by listing brokers and sellers to show properties, and the limitations (if any) on Buyer and Broker being able to access properties due to such methods. Broker's limitations on accessing properties are as follows:

n/a

Brokerage Firm has access to the following multiple listing services and property information services:

n/a

10. DISCLOSURE OF BUYER'S IDENTITY. Broker **Does** **DoesNot** have Buyer's permission to disclose Buyer's identity to third parties without prior written consent of Buyer.

11. OTHER BUYERS. Buyer acknowledges that under Colorado law, Broker may show properties in which Buyer is interested to other prospective buyers without breaching any duty or obligation to Buyer.

12. ASSIGNMENT BY BUYER. Buyer shall not assign this contract without Brokerage Firm's written consent.

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

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

15. RECOMMENDATION OF LEGAL AND TAX COUNSEL. By signing this document, Buyer acknowledges that Buyer has been advised that this document has important legal consequences and that consultation with legal, tax or other counsel, before signing this contract, is recommended.

16. MEDIATION. If a dispute arises relating to this contract, prior to or after closing, 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. 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 thirty (30) calendar days from the date written notice requesting mediation is sent by one party to the other(s).

17. ATTORNEY FEES. In case of arbitration or litigation concerning this contract, costs and reasonable attorney fees shall be awarded to the prevailing party.

18. ADDITIONAL PROVISIONS. (The language of these additional provisions has not been approved by the Colorado Real Estate Commission.)

n/a

19. ATTACHMENTS. The following exhibits, attachments, and addenda are a part of this contract:

n/a

20. FACSIMILE AND ELECTRONIC SIGNATURES. Signatures **May** **May Not** be evidenced by facsimile, and **May** **May Not** be evidenced by electronic signatures. Documents with original signatures shall be provided upon request of any party.

21. 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.

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237 **22. COUNTERPARTS.** If more than one person is named as a Buyer herein, this contract may be executed by each
238 Buyer, individually, and when so executed, such copies taken together with one executed by Broker shall be deemed to be a
239 full and complete contract between the parties.

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

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244 **24. COPY OF CONTRACT.** Buyer acknowledges receipt of a copy of this contract signed by Broker, including all
245 attachments.

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

247
248 Accepted:
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The Wells Group - Real Estate Brokerage
901 Main Avenue
Durango, CO 81301
Phone: 970 259-6680, Fax: 970 259-5007

By: _____

Signature

Rick Lorenz

Date

250 Broker's Email Address n/a _____

251
252 Buyer

253 Buyer's Email Address n/a _____