

AIRPARK 72 ACRES
PURCHASE AND SALE AGREEMENT
Modified 5-23-04

THIS AGREEMENT, dated this ___ day of May, 2004, is between Lloyd Goff of 10763 E. Mexico Ave, Aurora, CO. 80012 or assigns (referred to as "Buyer"), and Community Airpark Association Inc, a Colorado Corporation 2200 Airway Ave. Fort Collins, CO. 80524 (referred to as "Seller").

Seller owns certain vacant land property in the Airpark Area near the City of Fort Collins, Larimer County, Colorado commonly known as the Fort Collins Downtown Airpark. A legal description of the 72 acre site is attached as Exhibit "A". Buyer desires to purchase this property from Seller, and Seller is willing to sell to Buyer.

In consideration of the covenants contained herein and the total sum of \$40,000 over the next 60 days after execution of this contract as earnest money to Seller as provided for in this Agreement, the parties agree to the following:

I. PURCHASE OF PROPERTY

1.1 Property. As used in this Agreement, the term "Property" shall mean all of the real property described in exhibit "A" attached together with improvements made thereon, if any.

1.2 Purchase Price shall be \$20,000 per acre as adjusted by the survey and estimated to be \$1,440,000 US dollars. It is payable as follows: \$40,000 Earnest Money as described above to Seller and the balance of \$1,400,000 in cash or Certified Funds at closing.

1.3 Earnest Money shall be paid according to the following terms:

* \$15,000 shall be deposited into an escrow account with 2 signatures required on each check. This account is to cover invoices for survey work, legal fees on title repair work and an engineering report. This report will be by Dick Husmann and cover options for removal of property from the flood plain.

* ~~\$20,000~~ \$20,000 shall be paid within 60 days of execution of this agreement

1.4 The seller agrees to leaseback the property after closing, for a min of one year and a maximum of 3 years at \$3,000 (Net, Net, Net) per month total payment. Triple net means the lessee pays for insurance, taxes and maintenance. After the first year the buyer shall give the seller 90 days notice to occupy the property and terminate the leaseback. The buyer will assume no liability for the use of this land during the leaseback and the seller shall indemnify the buyer for such.

II. TITLE

2.1 Title Commitment. Within 20 days of Seller's acceptance of this Agreement, Seller shall deliver to Buyer a current Title Commitment ("Commitment") for title insurance issued by "Title Company", committing to insure fee title to the Property. Buyer shall have 10 days from receipt of "Commitment" to list all objectionable title items on the Commitment and deliver such objections to Seller. Seller shall have 10 days from delivery of said objections to cause said objections to be removed from Commitment, and deliver a revised Commitment to Buyer. In the event Seller is unable to cause objectionable items to be removed, or elects not to do so, Buyer, at Buyer's sole discretion, may elect to terminate this Agreement, wherein all things of value would be returned to the respective parties, or proceed with the Closing waiving further rights to object to the listed objectionable items.

2.2 Property Survey. Within 45 days of Seller acceptance of this Agreement, Seller shall deliver to Buyer an ALTA/ACSM boundary survey ("the Survey") of the Property showing the gas and sewer easements, rights of way and improvements thereon, including any underground utilities and underground tanks. The Survey should contain all the same legal description as is found on Exhibit B. Survey shall show any access points...

2.3 Title Conveyed. Seller shall convey by Special Warranty Deed and Buyer shall accept title subject only to easements, covenants, reservations and restrictions of record; ~~and an "Avigation Covenant" attached hereto in Exhibit A.~~

2.4 Title Policy. After Closing, "Title Company", at Seller's expense, will deliver to Buyer an owner's title policy for the Property in the amount of the total Purchase Price.

III CLOSING

3.1 Time and Place. Closing of the purchase of the Property shall be at the offices of and time designated by "Title Company", pursuant to the provisions in Section IV below, and shall be on or before 30 days from the delivery of the County conditionally approved Plat, whichever comes first provided further closing can be delayed at Buyers request up to one year by payment of an additional \$40,000 creditable to closing, but not refundable.

3.2 At Closing:

- (a) Buyer shall deliver to Seller a Certificate of good standing from the Colorado Secretary of State to Buyer.
- (b) Seller shall deliver to Buyer a Special Warranty Deed, conveying the Property as provided for in 2.3 above together with a certificate of good standing from the Colorado Secretary of State and a resolution by the Seller's Board of Directors authorizing the sale of the property
- (c) Seller shall deliver possession of the Property to Buyer, subject to a lease for hay and pasture to L. Maxey which shall be assigned to buyer (See Exhibit "B" attached)

(d) Seller and Buyer shall cooperate to sign and deliver to each other customary settlement statements and any other documents reasonably required by closing agent.

(e) All sales, use and transfer taxes (other than the documentary fee payable to record the deed or deeds) shall be paid by Seller.

3.3 Prorations. Revenues and all other income, if any, from the Property, and taxes (including personal property taxes), assessments, improvement bonds, service contract fees, insurance premiums for contracts assumed by Buyer and other usual expenses, if any, affecting the Property shall be prorated as of the Closing Date based on a thirty (30) day month.

3.4 Closing Costs. Buyer shall pay recording and documentary fees payable upon recording of the deed conveying the Property and any other closing costs normally* paid by buyers in Larimer County. Seller shall pay any closing costs normally* paid by sellers in Larimer County. Any fees charged by Title Company, as escrow and closing agent, shall be divided equally between the parties. Each party shall pay its own attorneys' or agents' fees.

* If "normal" cannot be determined, these costs shall be divided equally.

IV. DUE DILIGENCE/REVIEW

4.1 Review and Inspection. Buyer shall have 60 days from seller's acceptance to perform any and all necessary investigations, inspections, and inquiries to determine the zoning status of the Property and/or its suitability for development. In the event that the Buyer, in its sole discretion, determines not to proceed with the purchase of the Property, Buyer shall notify Seller in writing prior to the expiration of this investigation period and this Agreement shall thereupon be null and void with none of the \$15,000 earnest money to be returned to buyer. In the event that Buyer does not so notify Seller of its determination not to proceed within said 60 days, the buyer will pay to seller \$25,000 additional earnest money. All earnest money will thereupon be non-refundable and will be credited to Buyer at closing. Seller will cooperate with a Phase One Environmental review during this period at seller's expense.

4.2 Entry. After acceptance of this Agreement by seller, Buyer shall have the right to enter the Property to proceed with planning activities, engineering, soils testing, construction review, flood hazard assessments, surveying work and environmental investigations and testing for hazardous materials. Buyer may drill test holes but shall not, without Seller's prior written consent, materially alter the existing physical appearance of any portion of the Property until after Closing of this contract. Buyer shall hold Seller harmless from any and all claims arising from such entry.

and work, including lien and personal injury claims which may be asserted against either Seller or the Property, provided that buyer uses any and all access from the north off of International Drive.

4.3 Conduct of Business Pending Closing. Between the date of this Agreement and the date of Closing:

- (a) Seller shall pay the premium on the current or replacement hazard insurance policies that become due.
- (b) Seller shall not seek nor consent to any zoning, platting, re-platting, subdivision, or other change affecting the use of the Property or any administrative classification of Property without the express written consent of the Buyer.
- (c) Seller shall not expand or add to any existing improvements or construct any additional improvements on the Property without the express written consent of Buyer.
- (d) Seller shall not grade the Property or otherwise change the physical configuration or characteristics of the Property, without the express written consent of Buyer, which consent if mandated by health, safety FAA or other Government request will not be unreasonably withheld.

REPRESENTATIONS AND WARRANTIES

5.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer to the best of Seller's knowledge and belief that, as of the date of acceptance of this Agreement:

- (a) The "Seller" is entitled to sell the Property in accordance with this Agreement.
- (b) Seller has not (1) made a general assignment for the benefit of creditors; (2) filed any voluntary bankruptcy or insolvency petition; (3) formed any specific certain intention of filing of any bankruptcy or insolvency petition; (4) suffered the involuntary filing of any bankruptcy or insolvency petition by its creditors; (5) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets; or (6) suffered the attachment or other judicial seizure of all, or substantially all, of its assets; or (7) been named a party to litigation which could result in a lien on the Property; or (8) been subject to judgments which are or could become a lien against the Property except for pending litigation on unrelated property issues currently before the Larimer District Court.
- (c) To the best of Seller's knowledge, no portion of the Property has been condemned, and there are no pending or threatened special assessments or condemnation actions with respect to any part of the Property, nor has Seller received any notice of any special assessments or condemnation actions being contemplated. There is no pending or threatened action by any governmental or quasi-governmental agency to acquire or condemn any part of the Property.

(d) To the best of Seller's knowledge, no portion of the Property is located within any special assessment district, a special improvement district or other special taxing district.

(e) To the best of Seller's knowledge, the Seller has no other creditors whose rights would be prejudiced by the conveyance of the Property, and such conveyance is not intended as a preference against any other creditors of the Seller.

(f) Other than the hay and pasture use agreement attached, there are no contracts, agreements or commitments, oral or written, for the procurement of services to the Property or otherwise relating to the Property or any interest therein, including without limitation any employment contracts, management agreements, service contracts, maintenance contracts, or listing agreements, which are not herein disclosed to Buyer.

(g) To the best of Seller's knowledge, no hazardous or toxic substances, wastes, contaminants or pollutants have been released into or deposited upon or below the surface of the Property. As used herein the terms "hazardous or toxic substances, wastes, contaminants or pollutants" means any substance, waste, contaminant or pollutant now or hereafter defined as hazardous or subject to regulation by or under any federal, state or local statute, ordinance, code or regulation now existing.

(h) There are currently, and will be at Closing, no management fees, service fees, brokerage commissions or leasing commissions or other fees, expenses or compensation of any nature whatsoever payable to any person, firm, corporation or other entity with respect to, on account of or in connection with the Property other than the debts secured by encumbrances of record affecting the Property, or to services contemplated pursuant to section 3.4.

5.2 No known lien exists which encumbers the Property, other than real estate tax obligations.

5.3 Buyer's Representations and Covenants. Buyer hereby represents to Seller that, as of the date of this Agreement and at the time of Closing:

(a) Buyer has the power and authority to execute, deliver and perform this Agreement and all documents contemplated by this Agreement to be executed by Buyer.

(b) This Agreement and all documents contemplated hereby have been duly authorized and executed (and acknowledged where necessary) by the party named as signatory in said documents, and all other necessary actions have been taken, so that this Agreement and all documents contemplated herein are valid and binding upon Buyer.

VI. BROKERS

6.1 Seller and Buyer each represent and warrant to each other that no Broker has been retained by either party in connection with the transaction contemplated by this Agreement, and each agrees to hold the other harmless from, and indemnify the other against, any claim or demand for commission by any broker for their services related to the sale of the Property.

VII. DEFAULT AND REMEDIES

7.1 Seller's Remedy. In the event that the Buyer fails to perform or comply with any of its obligations or the terms contained in the Agreement, or breaches any warranty, Seller shall be entitled to terminate this Agreement, and, may retain the Earnest Money as damages. The foregoing shall be the sole remedy of Seller on account of Buyer's default.

7.2 Buyer's Remedies. In the event Seller fails to perform or comply with any of its obligations or the terms contained in this Agreement, or breaches any warranty, Buyer shall have the rights to specific performance or termination of this Agreement, which remedies shall be cumulative and not exclusive.

7.3 Termination. Except for those instances where termination of this Agreement is automatic, termination shall be by written notice, delivered by certified US Mail, with a return receipt requested, to the other party and to Title Company.

7.4 Costs of Enforcement. In any action to enforce this Agreement, to collect damages as a result of a breach of its provisions or a breach of warranty, or to collect any indemnity provided for herein, the prevailing party shall also be entitled to collect its costs and reasonable attorneys' fees, together with additional costs incurred in enforcing or collecting any judgment rendered.

VIII. NOTICES AND OTHER DELIVERIES

Any notice or other documents or materials required or permitted to be delivered under this Agreement shall be deemed properly delivered upon: (i) receipt by the party to whom the same are to be delivered, if personally delivered or transmitted by fax with acknowledgement of delivery by the recipient; or (ii) one business day after being sent, and receipted for, if sent by commercial overnight delivery service; or (iii) three days after depositing in the United States mail, first class postage prepaid, return receipt requested. Notices, documents and materials shall be addressed as follows:

If to Buyer, Lloyd Goff 10763 E. Mexico Ave. Aurora, CO. 80012 (303) 671-5340 fax (303) 306-7718.

If to Seller, to Community Airpark Association, Mr. Claire McMillen President or Loren Maxey Vice President 2200 Airway Ave. Fort Collins, CO. 80524

Either party may, by notice properly delivered, change the person or address to which future notices and deliveries to that party shall be made. Notices received by fax after 5:00pm, local time of recipient, shall be deemed received the following day.

IX. DAMAGE TO PROPERTY; EMINENT DOMAIN

9.1 Eminent Domain. If, prior to Closing, a portion of the Property is taken or made subject to condemnation, building/development moratorium, eminent domain or other governmental acquisition proceedings which would materially and adversely affect the operation and

redevelopment of the Property, then Buyer, at its sole option, may elect to terminate this Agreement by written notice to Seller and Title Company given at or prior to Closing and shall promptly receive a refund of any Deposit which may have been delivered. Alternatively, Buyer may elect to close the purchase of the Property, in which case the Purchase Price shall be reduced by an amount equal to the condemnation proceeds (but not greater than the purchase price therein) paid to Seller by the condemning authority.

X. MISCELLANEOUS

10.1 Statutory Disclosure. Seller makes the following disclosure pursuant to Section 38-35.7-101 of the Colorado Revised Statutes:

SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATIONS INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. PURCHASERS SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

10.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

10.3 Headings. The article and section headings in this Agreement are for convenience only, and shall not be used in its interpretation or considered part of this Agreement.

10.4 Saturdays, Sundays, and Holidays. If any action, payment or delivery of any document is required pursuant to any term of this Agreement to be made on the date which falls on a Saturday, Sunday, or legal holiday in the State of Colorado, such action, payment, or delivery shall be made on the first business day following such Saturday, Sunday, or legal holiday.

10.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.6 Term of Agreement. This Agreement shall commence when Seller delivers an original counterpart signed by Buyer and Seller and shall continue in full force and effect until such time as all obligations of the parties to each other hereunder have been fulfilled, or otherwise deleted as provided for herein.

10.7 Effect of Agreement. All negotiations relative to the matters contemplated by this Agreement are merged herein and there are no other understandings or agreements relating to the matters and things herein set forth other than those incorporated in this Agreement. This instrument

sets forth the entire agreement between the parties. No provision of this Agreement shall be altered, amended, revoked or waived except by an instrument in writing signed by both parties to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns.

10.8 Survival of Representations and Warranties. All covenants, agreements, representations and warranties made hereunder or pursuant hereto or in consideration of the transactions contemplated hereby shall survive Closing.

10.9 Severability. If any clause or provision of this Agreement is illegal, invalid or unenforceable under applicable present or future laws, then it is the intention of the parties that the remainder of this Agreement shall not be affected, and that in lieu of any such clause or provision there be added as a part hereof a substitute clause or provision as similar in terms and effect to such illegal, invalid or unenforceable clause or provision as may be possible.

10.10 Time. Time is of the essence of this Agreement.

10.11 Acceptance by Seller. This Agreement has been tendered to Seller as an offer by Buyer. Seller shall have until May __, 2004 to accept this offer by delivering an original signed by Seller to Buyer. Upon such acceptance, this Agreement shall become a valid contract binding on Seller and Buyer. If Seller does not so accept Buyer's offer by such time, the offer shall automatically expire without notice of any kind, and this Agreement shall be null and void.

10.12 Relationship. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture, financing arrangement or other agreement between Buyer and Seller. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any other person, entity, firm, organization or corporation and they shall not have any rights or claims hereunder, except as provided for in section 10.7 above.

All Terms and Conditions are hereby agreed to and accepted as of the date set forth herein.

BUYER: _____
Lloyd Goff
10763 E. Mexico Ave
Aurora, CO. 80012

SELLER:
By: _____ date _____
Community Airpark Association Inc Claire H. Mc Millen, President

By: _____ date _____
Community Airpark Association Inc Loren R. Maxey, Vice President
2200 Airway Avenue
Ft. Collins, CO 80524

May ____, 2004

To Larimer County

The buyer of this property is authorized to work with the Larimer County and City of Ft Collins to discuss the zoning and development of this property.

SELLER:

By: _____ date _____
Community Airpark Association Inc Claire H. McMillen, President

FIRST AMERICAN HERITAGE TITLE CO
1000 Centre Avenue • Fort Collins, CO 80526 • Phone: (970) 493-3051 • FAX: (970) 224-2177

COMMITMENT

SCHEDULE A

Commitment No: LR32681B04

1. **Commitment Date:** April 22, 2004 at 7:29 A.M.

2. Policy or Policies to be issued:	Policy Amount
(a) Owners Policy - Proposed Insured:	\$ 1,500,000.00
Lloyd Goff	

3. **Fee Simple interest in the land described in this Commitment is owned, at the Commitment Date by:**

Community Airpark Association, Inc., a Colorado Corporation

4. **The land referred to in this Commitment is described as follows:**

SCHEDULE A PAGE 2 ATTACHED HERETO

PREMIUM:

Owner's Policy	\$ 3,109.00
Tax Certificates (6)	\$ 150.00