

| Telluride

Sotheby's
INTERNATIONAL REALTY

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tellurideluxuryproperties.com

We are truly pleased to present to you and your clients with ten (10) peerless penthouses, known as 300 East Colorado Avenue Residences, atop the luxury Hotel Ajax.

The Residences occupy the top two floors of this signature new project and are approximately 1,900 to 4,200 live able square feet in size. They feature generous outdoor living areas, multiple fireplaces and the highest quality of mountain modern finish level throughout. The attached interior images are not final, but reflect the style and quality your clients can anticipate.

The project site possesses unsurpassed scenic and solar qualities given its one of a kind location along the San Miguel River and the (70) acres of the Town Park. Hotel Ajax and 300 East Colorado Avenue Residences provides access to everything the Telluride lifestyle offers.

Luxury Hotel Ajax amenities will include:

- 50 impeccably-designed guest rooms
- Richly detailed hotel lobby, library and fireplace area
- Spectacular 4th floor, public rooftop bar and sunset deck with fire pits
- Picturesque outdoor wedding and events venue over the river
- Full service alpine spa and fitness center
- Pool and hot tub overlooking the San Miguel River
- Dramatic two-level, chef-driven restaurant, lounge and coffee bar
- Kid's Game Room, entertainment and activities area

While legally separate entity from the hotel, owners and guests of the Residences will be provided full access to the hotel's amenities and services by the developer. Each unit includes designated parking spot, along with valet service parking.

As of this date, the project has already received the majority of its entitlements, with final approval subject to meetings on July 30th. Current estimates are for a fall start and an early 2017 delivery schedule.

Per the attached Reservation Agreement, these ten (10) Residences are offered on a unit specific, first come basis to financially qualified parties. The Reservation Agreement requires a fully refundable deposit of \$100,000. Upon buyer's receipt of related Purchase Contract, an additional Earnest Money deposit will be required.

Thank you for your interest in this extraordinary new project. If you would like a hard copy of the attached package and or want to see the projects model, please feel free to contact either Bill Fandel or myself.



Mark B. O'Dell - Broker Associate
Telluride Sotheby's International Realty



Bill Fandel - VP/ Managing Broker
Telluride Sotheby's International Realty











HOTEL AJAX

SD2.00C

AERIAL VIEW



06.29.2015

Project No.:
14072.100

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HOTEL AJAX

SD2.00D AERIAL VIEW



06.29.2015
Project No.:
14072.100

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HOTEL AJAX

SD2.00E

AERIAL VIEW

**BOKA
Powell**

06.29.2015

Project No.:

14072.100

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plotted: 6/29/2015 5:25:38 PM



HOTEL AJAX

SD4.20

COLORADO ST.
PERSPECTIVE

06.29.2015

Project No.:
14072.100



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HOTEL AJAX



SD4.22

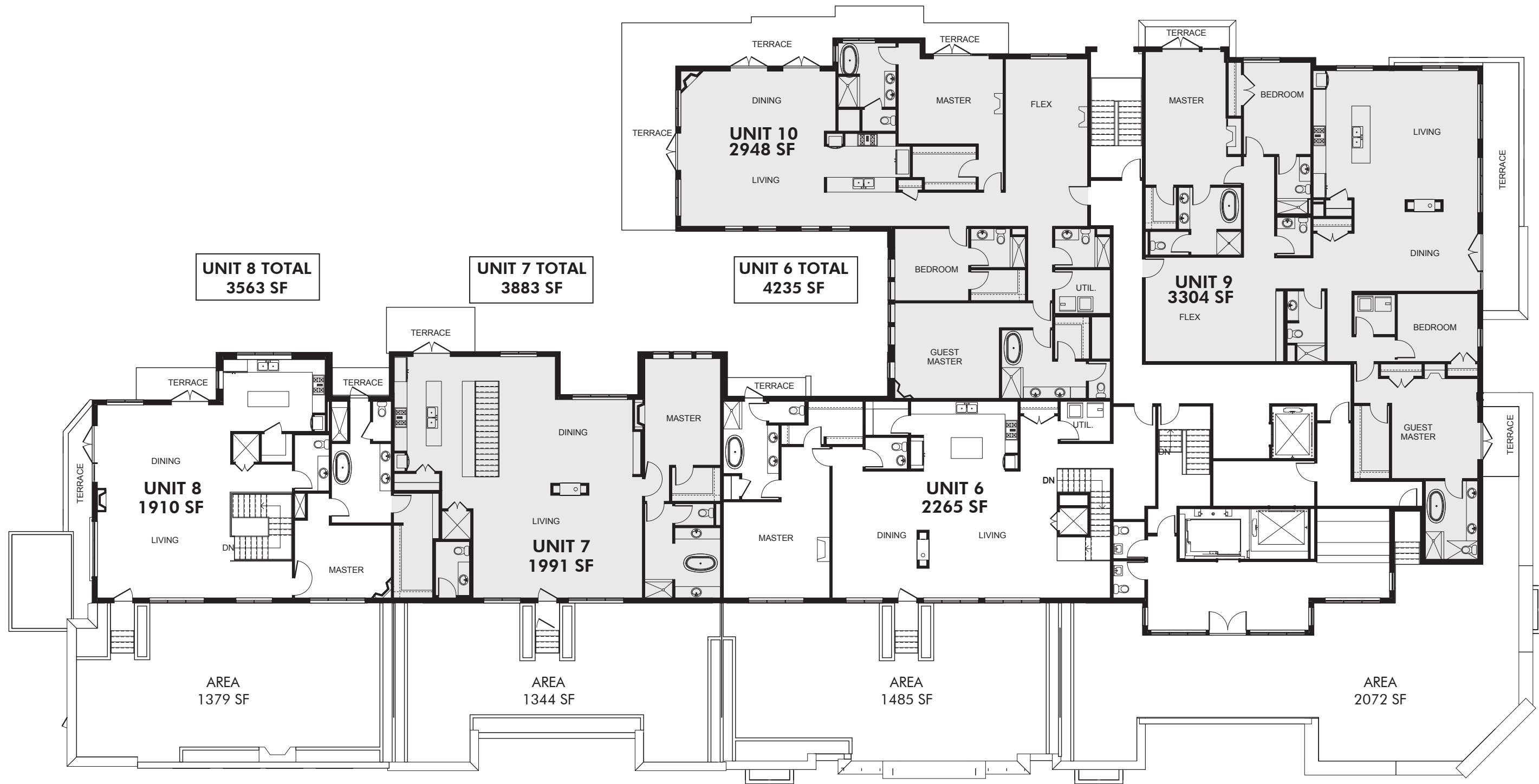
WILLOW ST.
PERSPECTIVE

06.29.2015

Project No.:
14072.100

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HOTEL AJAX
TELLURIDE, COLORADO



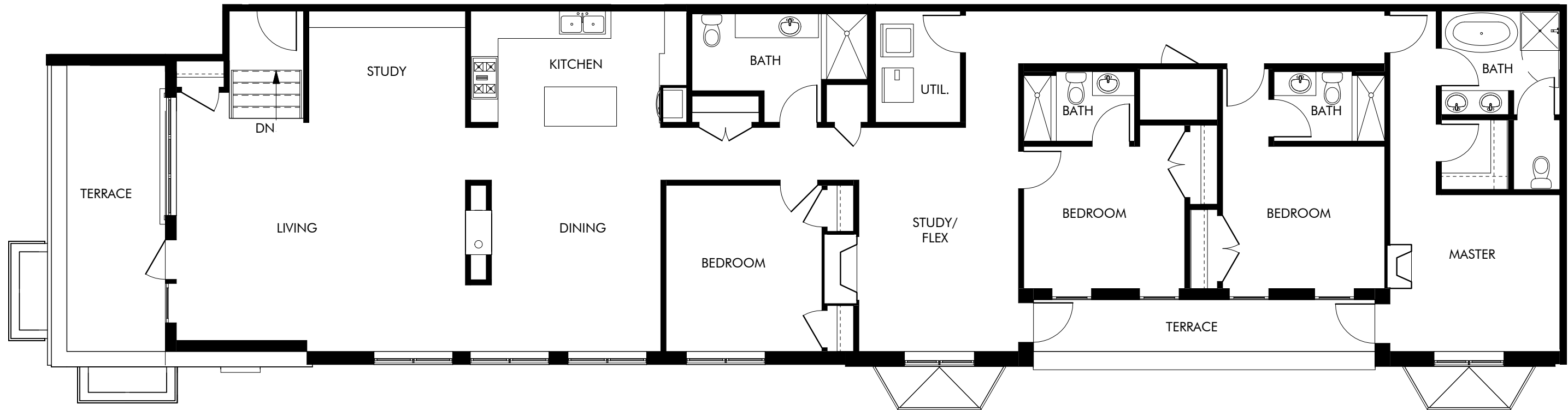
HOTEL AJAX



LEVEL 4 - UNIT PLANS

07.01.2015

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HOTEL AJAX
TELLURIDE, COLORADO



HOTEL AJAX

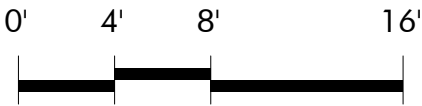
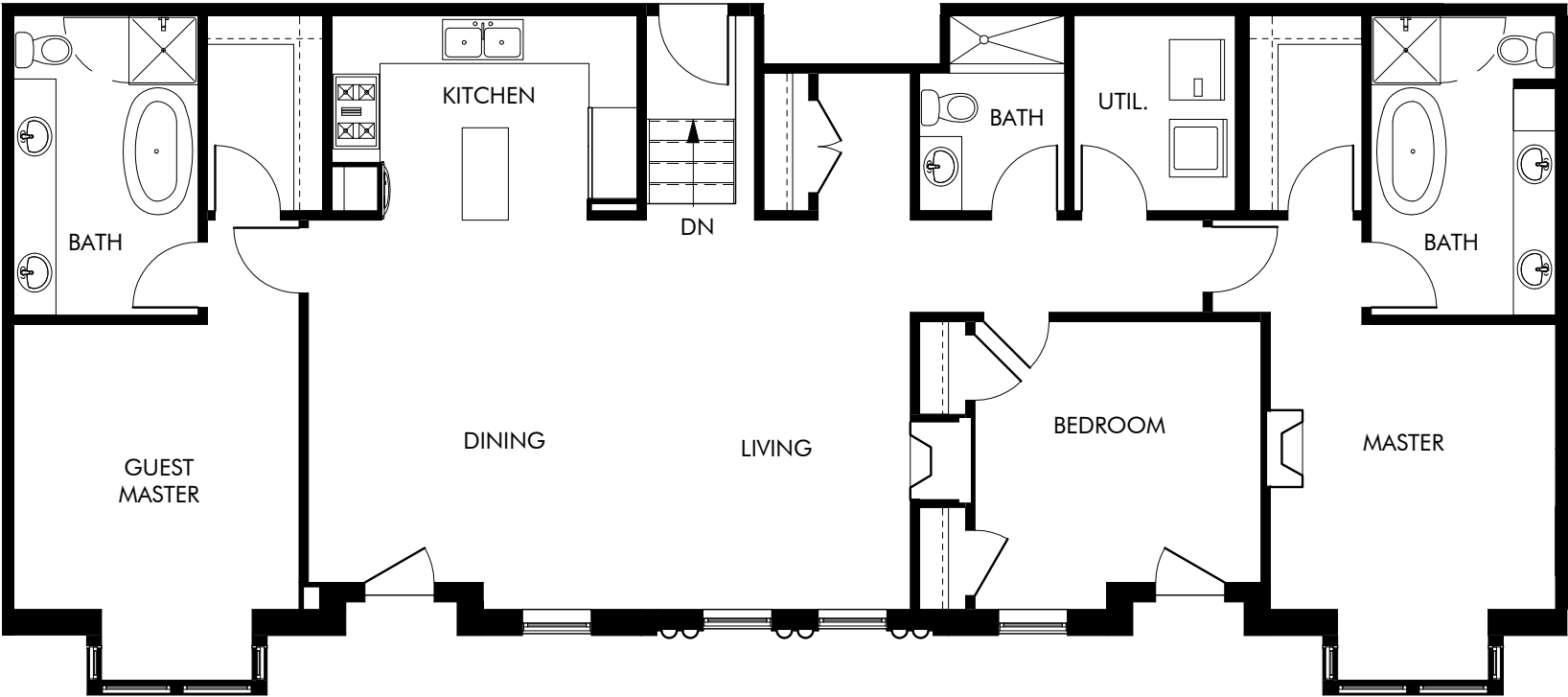


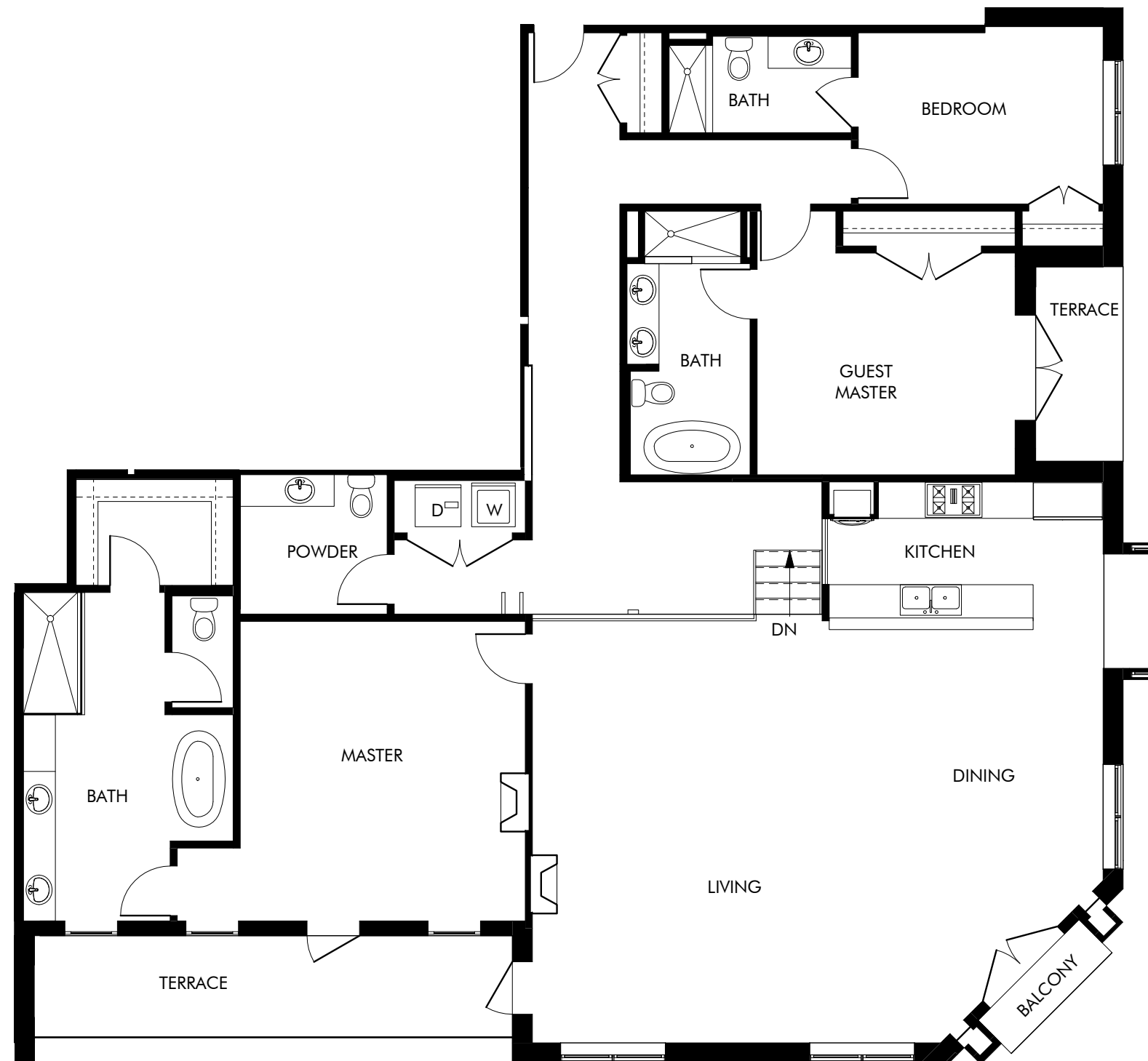
BOKA Powell

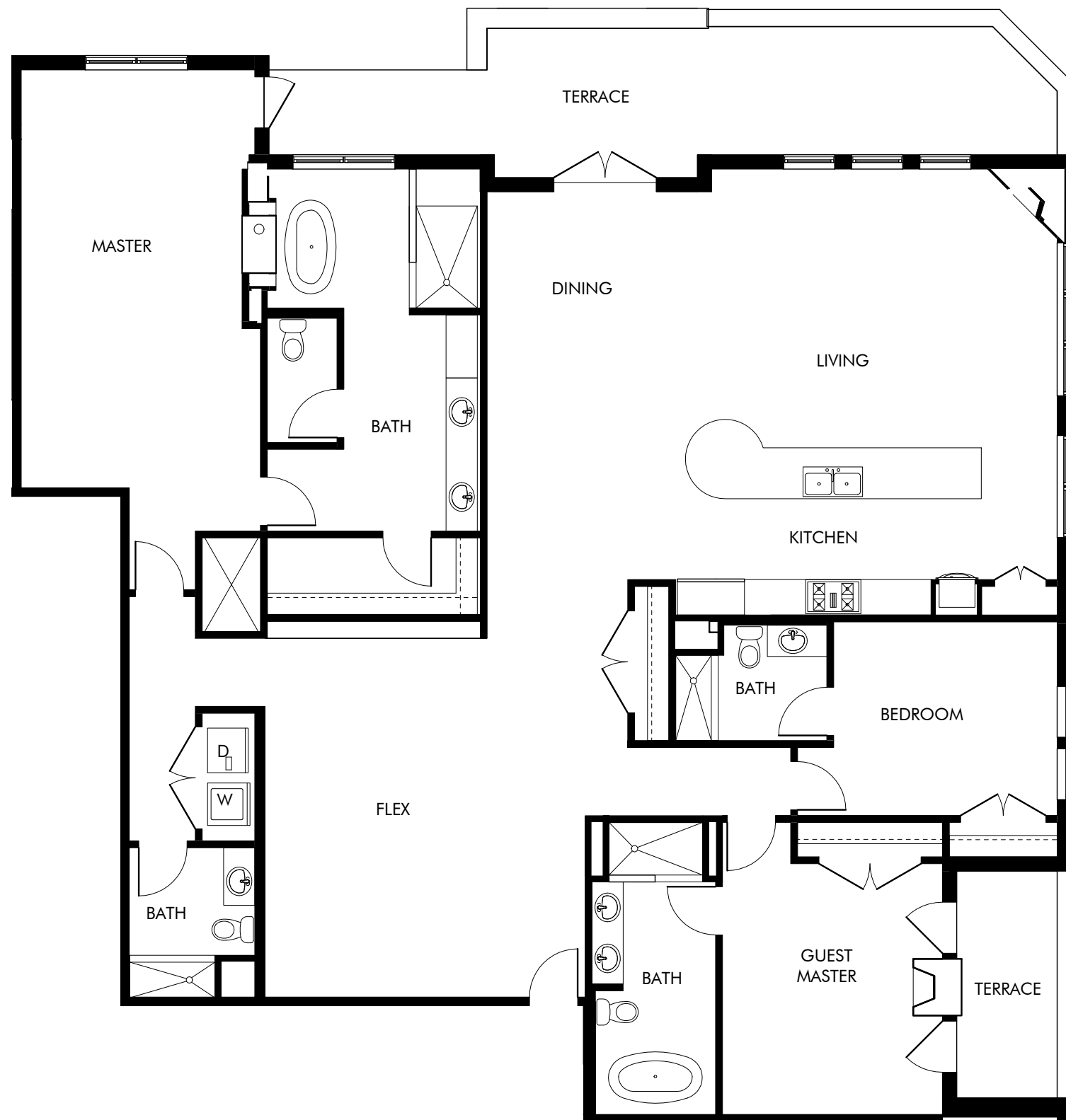
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UNIT 1

07.01.2015









HOTEL AJAX
TELLURIDE, COLORADO



HOTEL AJAX

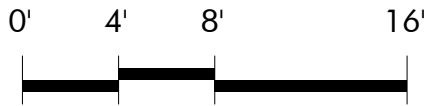
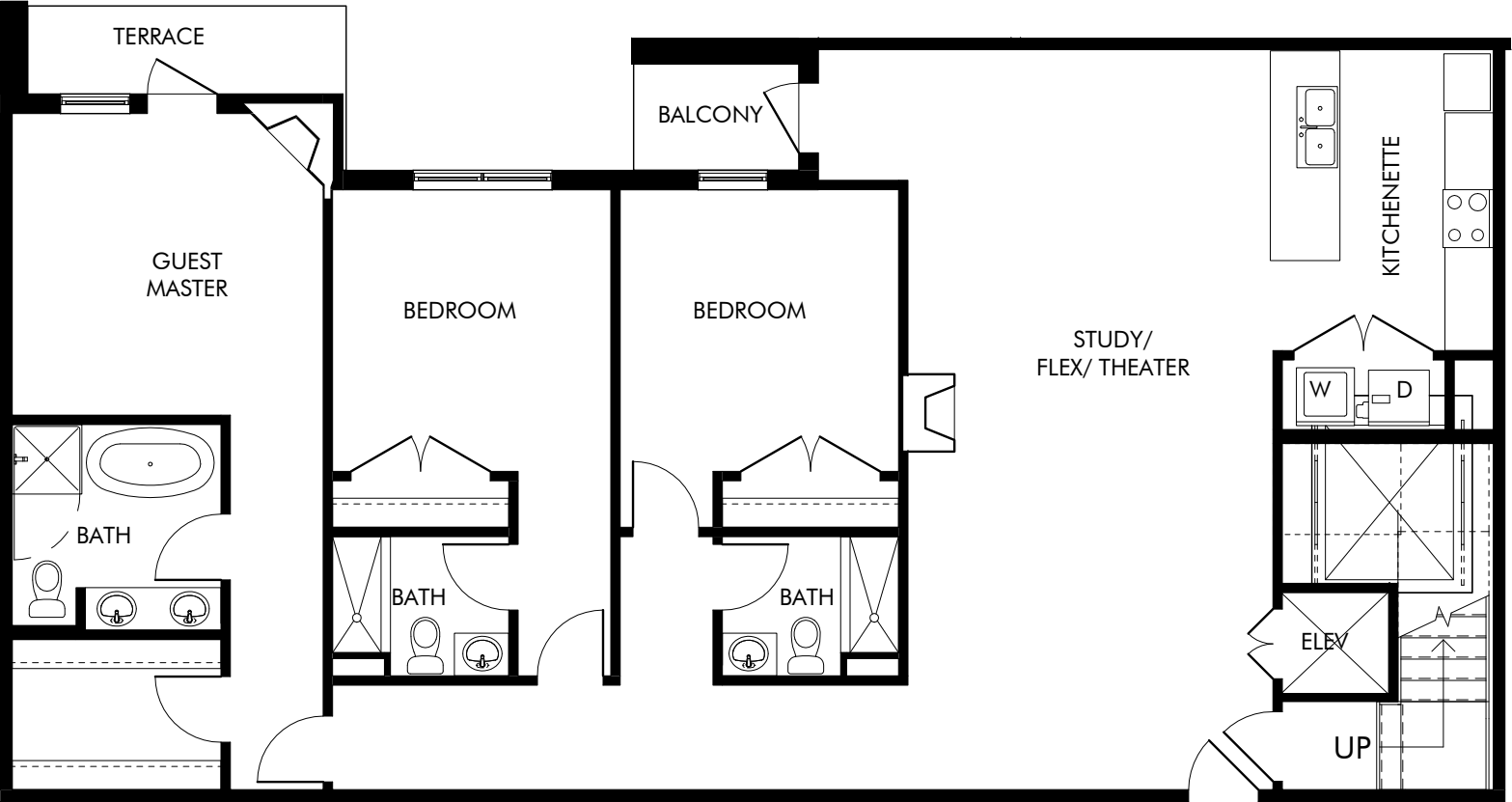


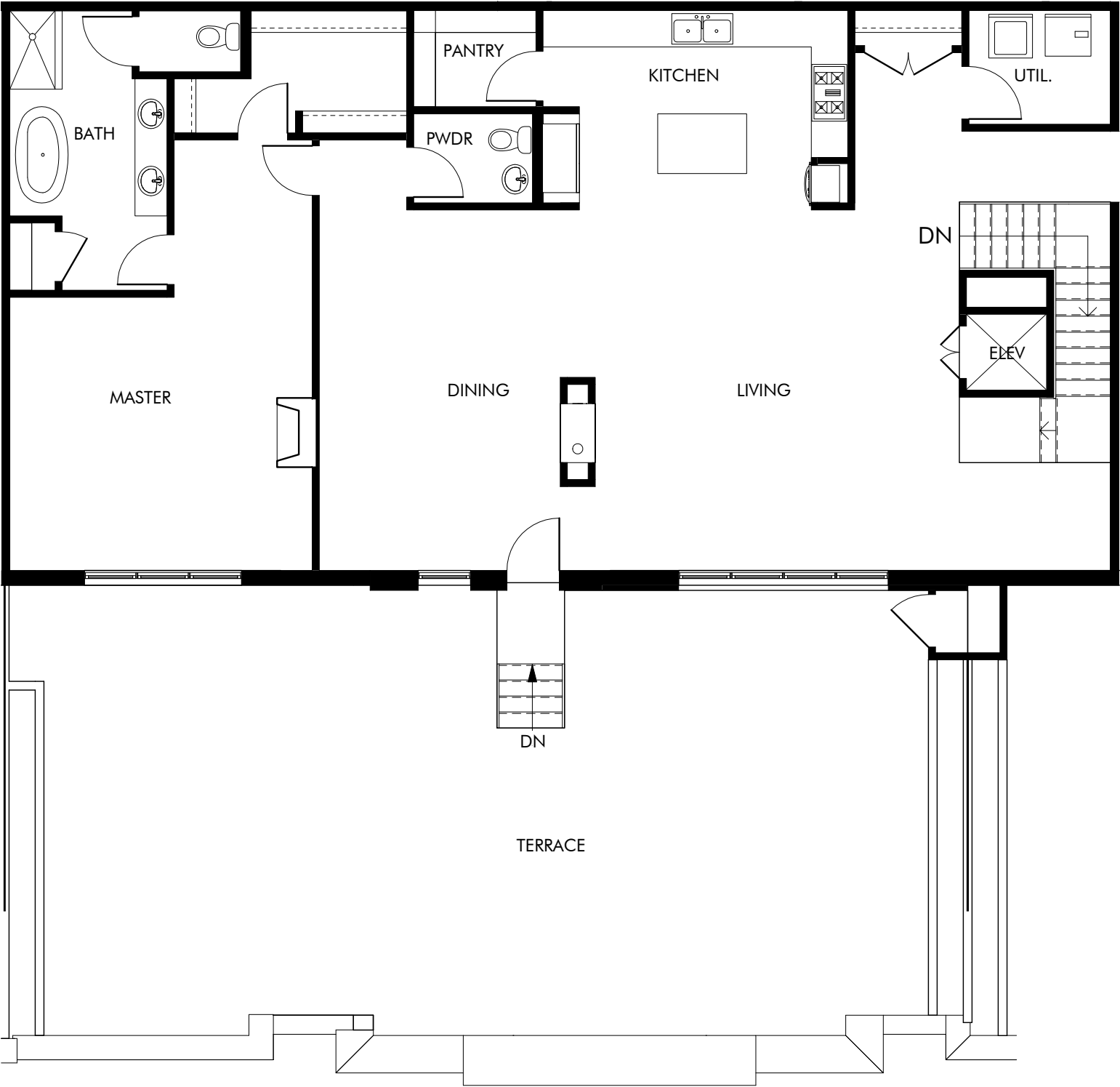
BOKAPowell

UNIT 5

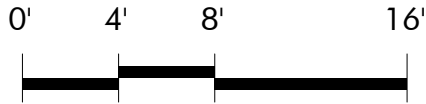
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HOTEL AJAX
TELLURIDE, COLORADO



HOTEL AJAX

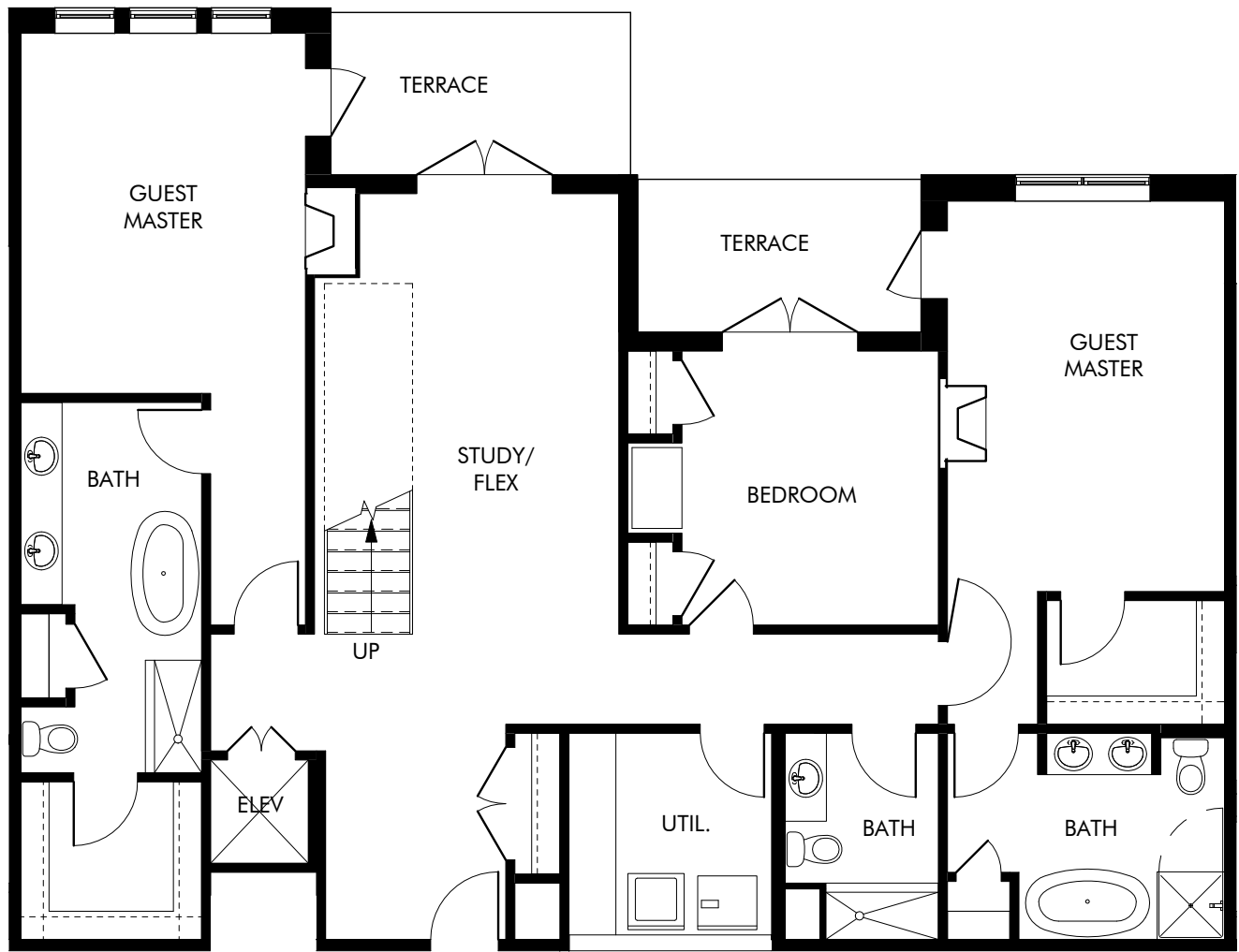


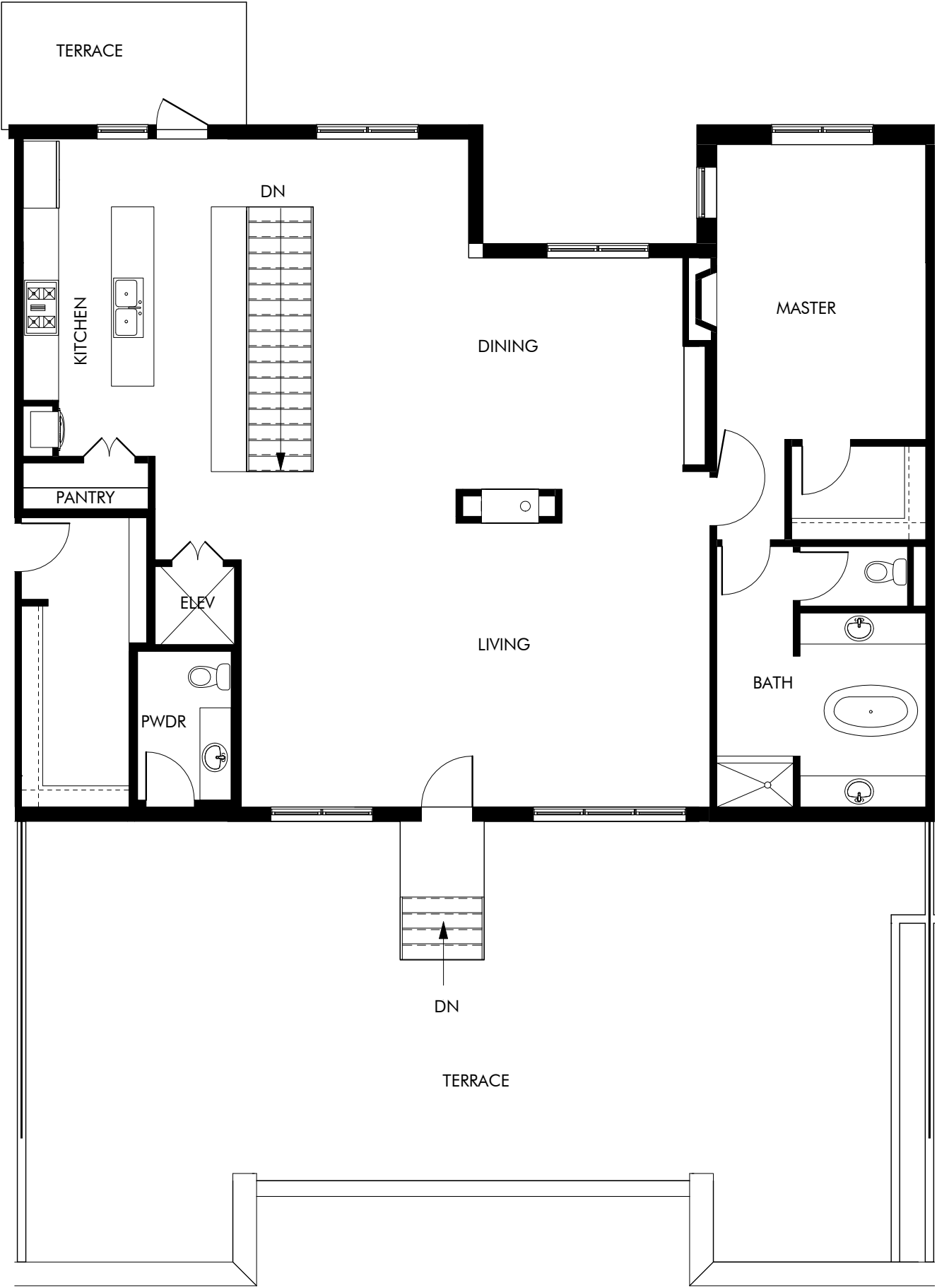
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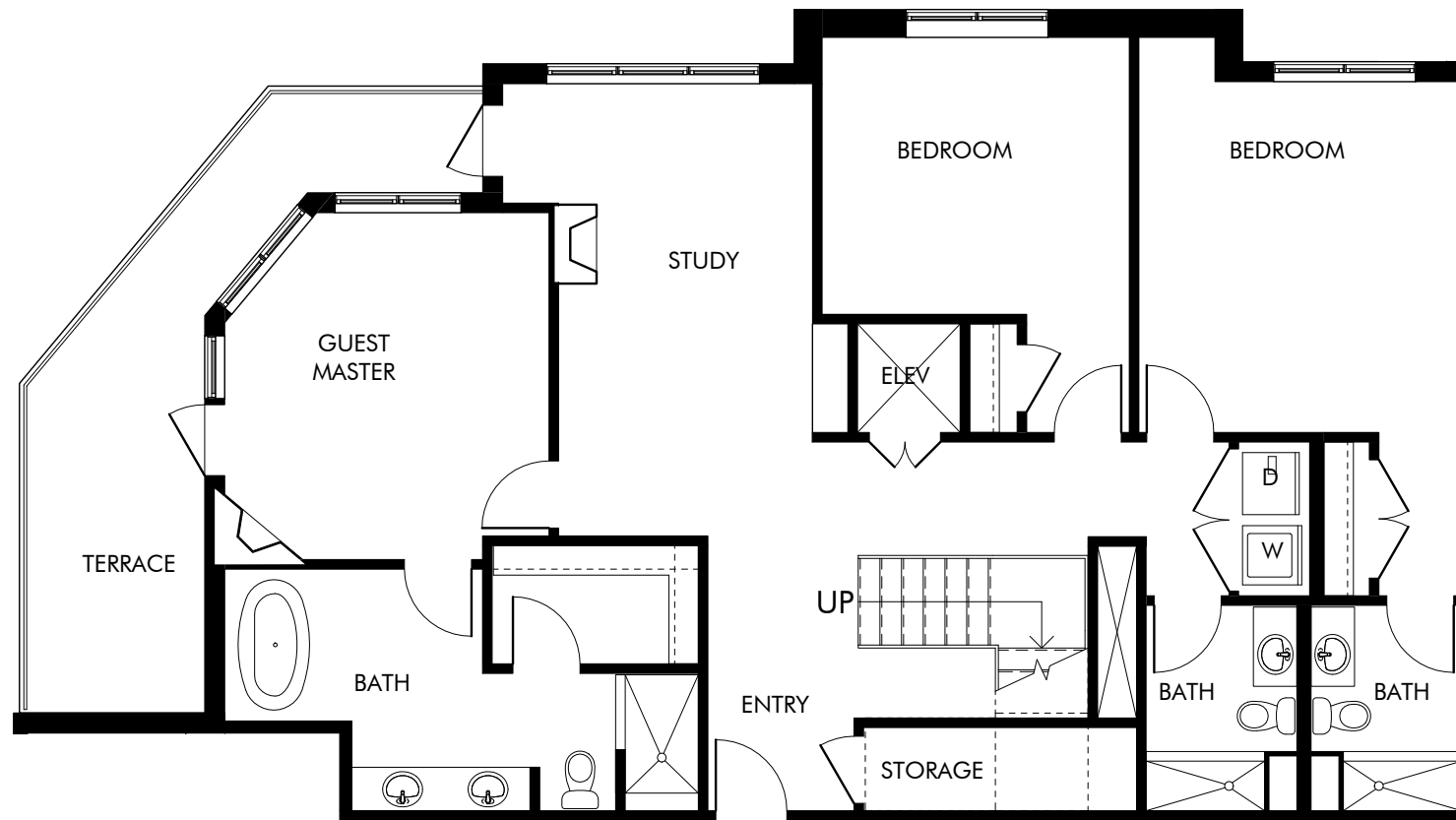
UNIT 6 - LEVEL 4

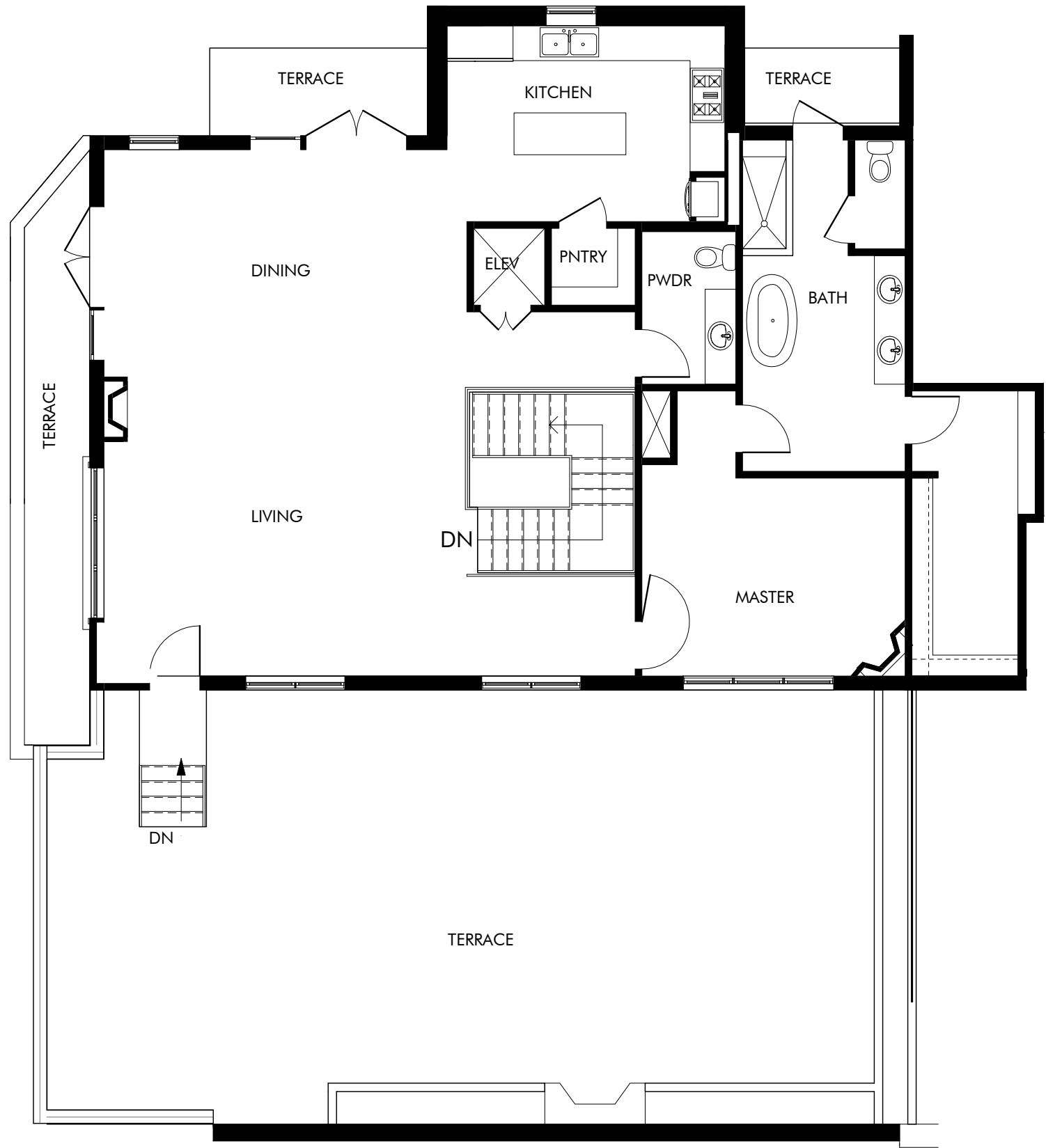
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HOTEL AJAX
TELLURIDE, COLORADO



HOTEL AJAX



BOKA Powell

UNIT 8 - LEVEL 4

07.01.2015

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HOTEL AJAX
TELLURIDE, COLORADO



HOTEL AJAX



BOKAPowell

UNIT 9

07.01.2015

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HOTEL AJAX
TELLURIDE, COLORADO



HOTEL AJAX

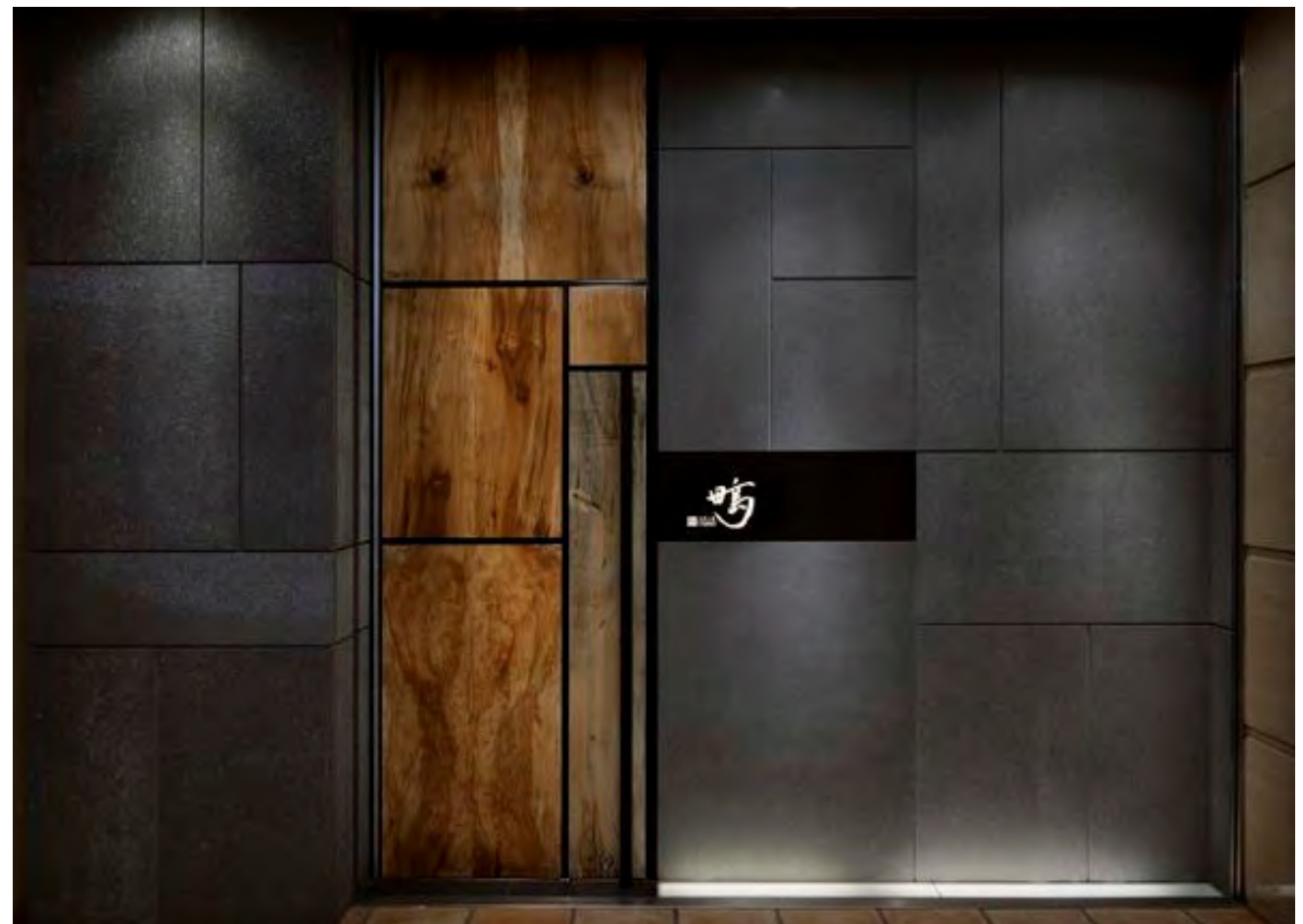
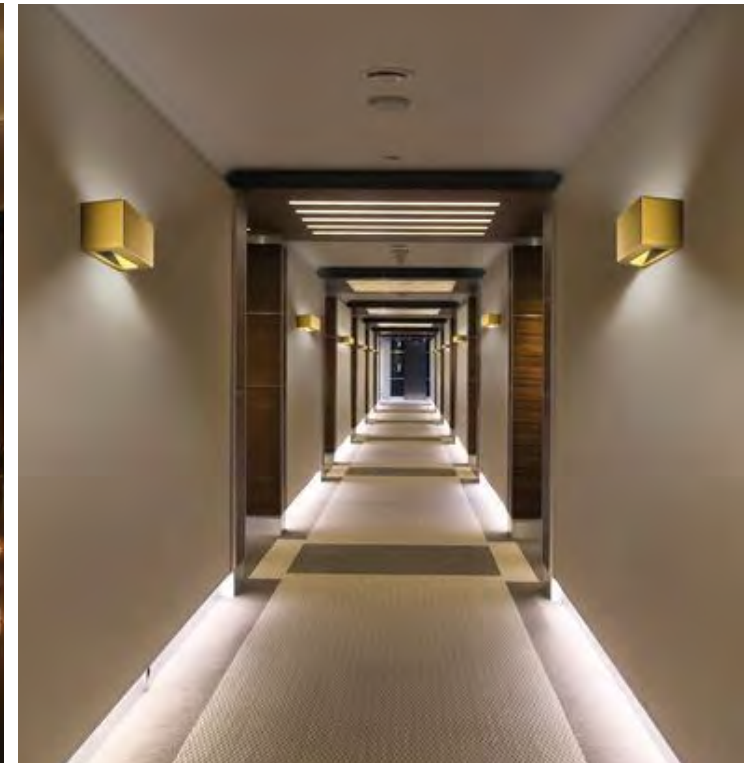


BOKA Powell

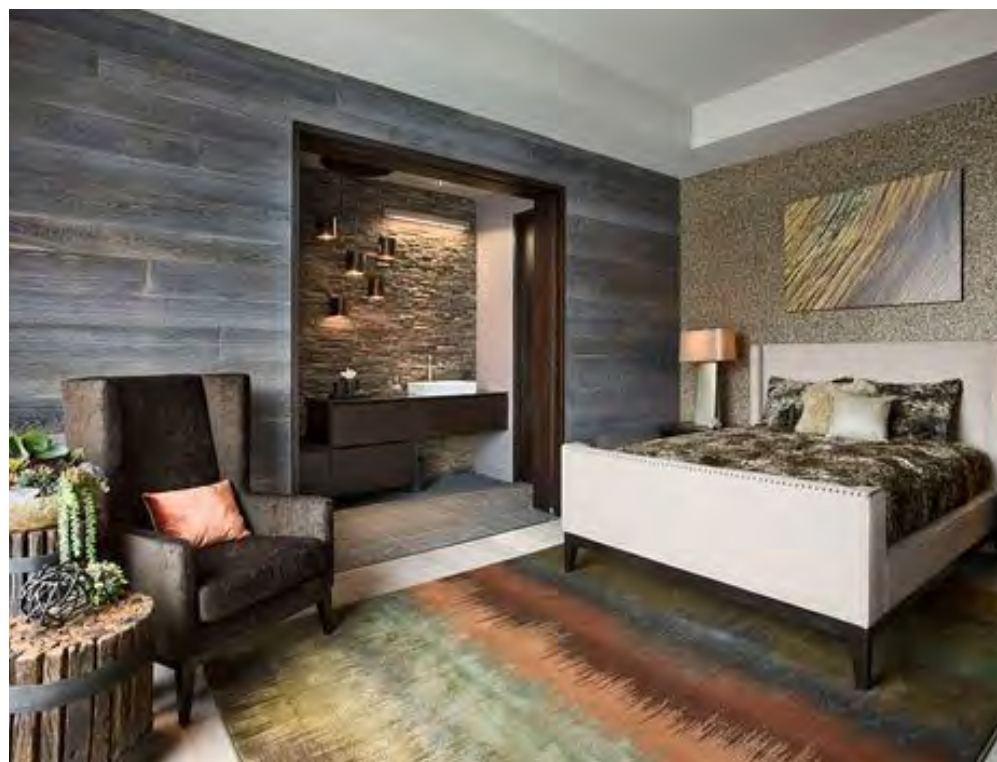
UNIT 10

07.01.2015

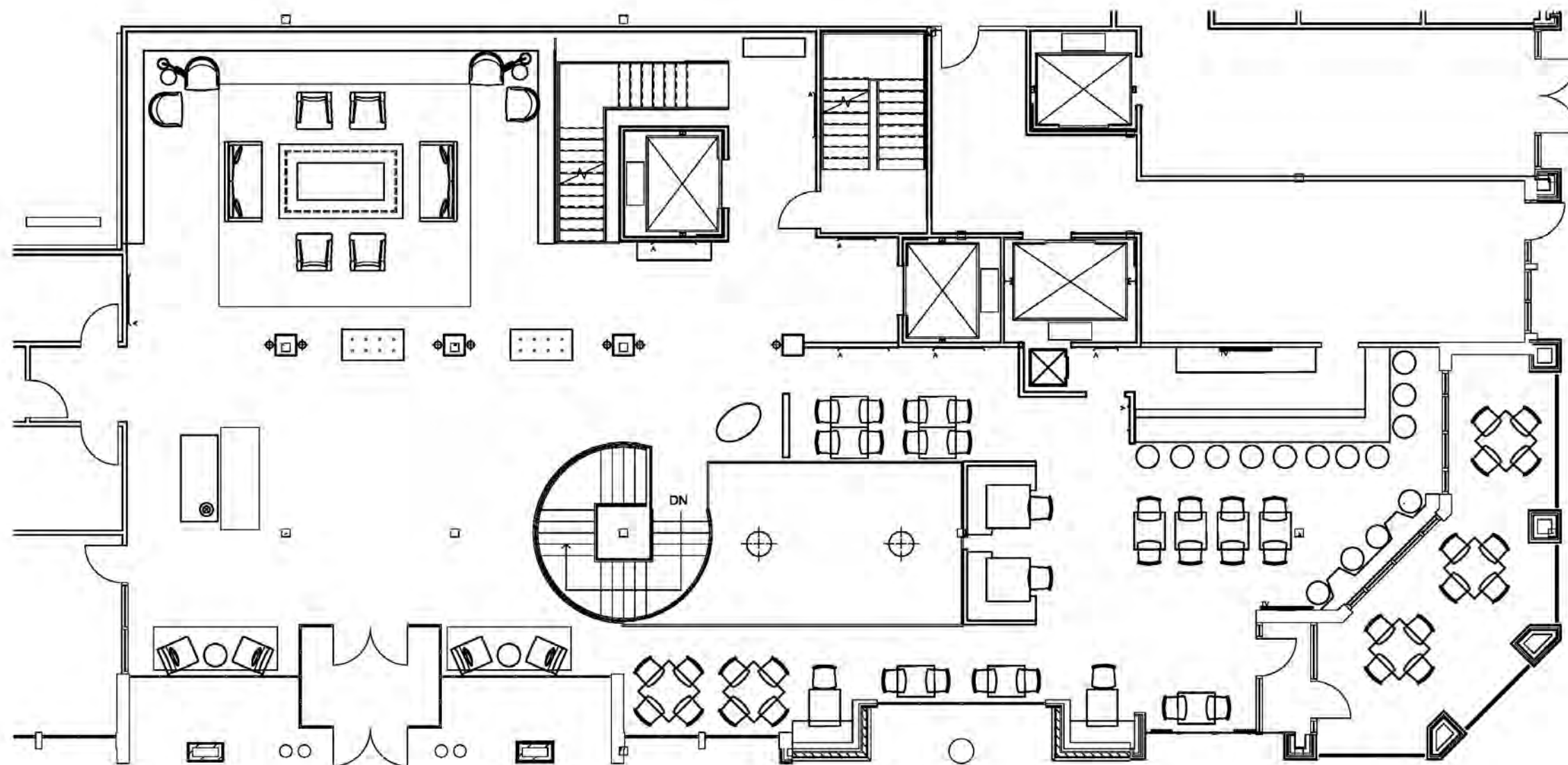
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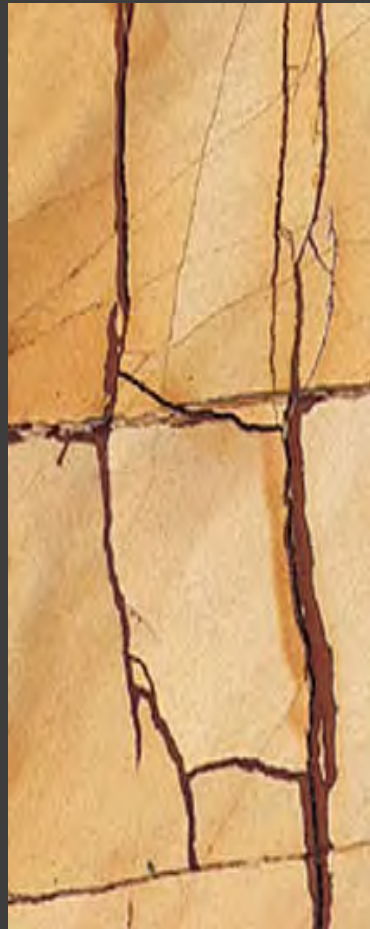
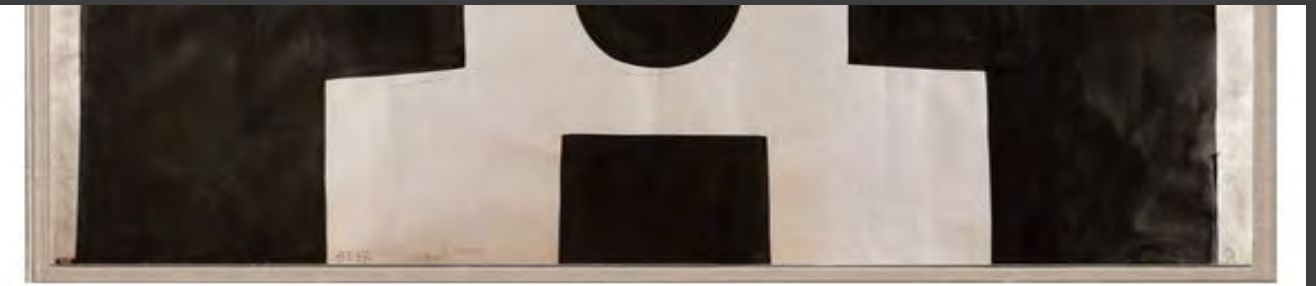
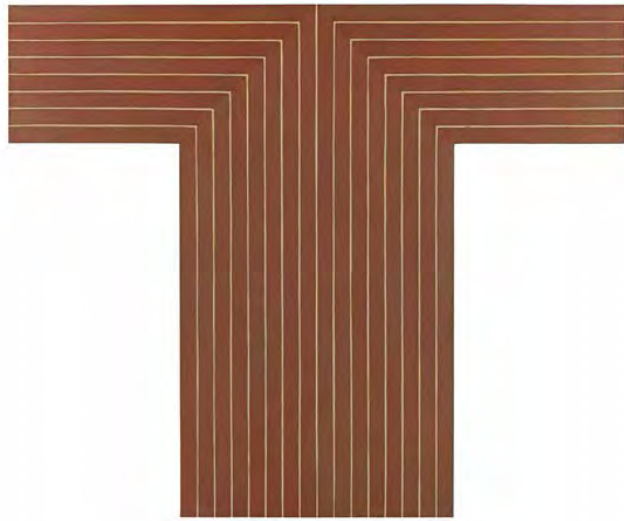


The logo for BOKA Powell, featuring the word "BOKA" in white capital letters inside a blue square, with the word "Powell" in black capital letters to its right.



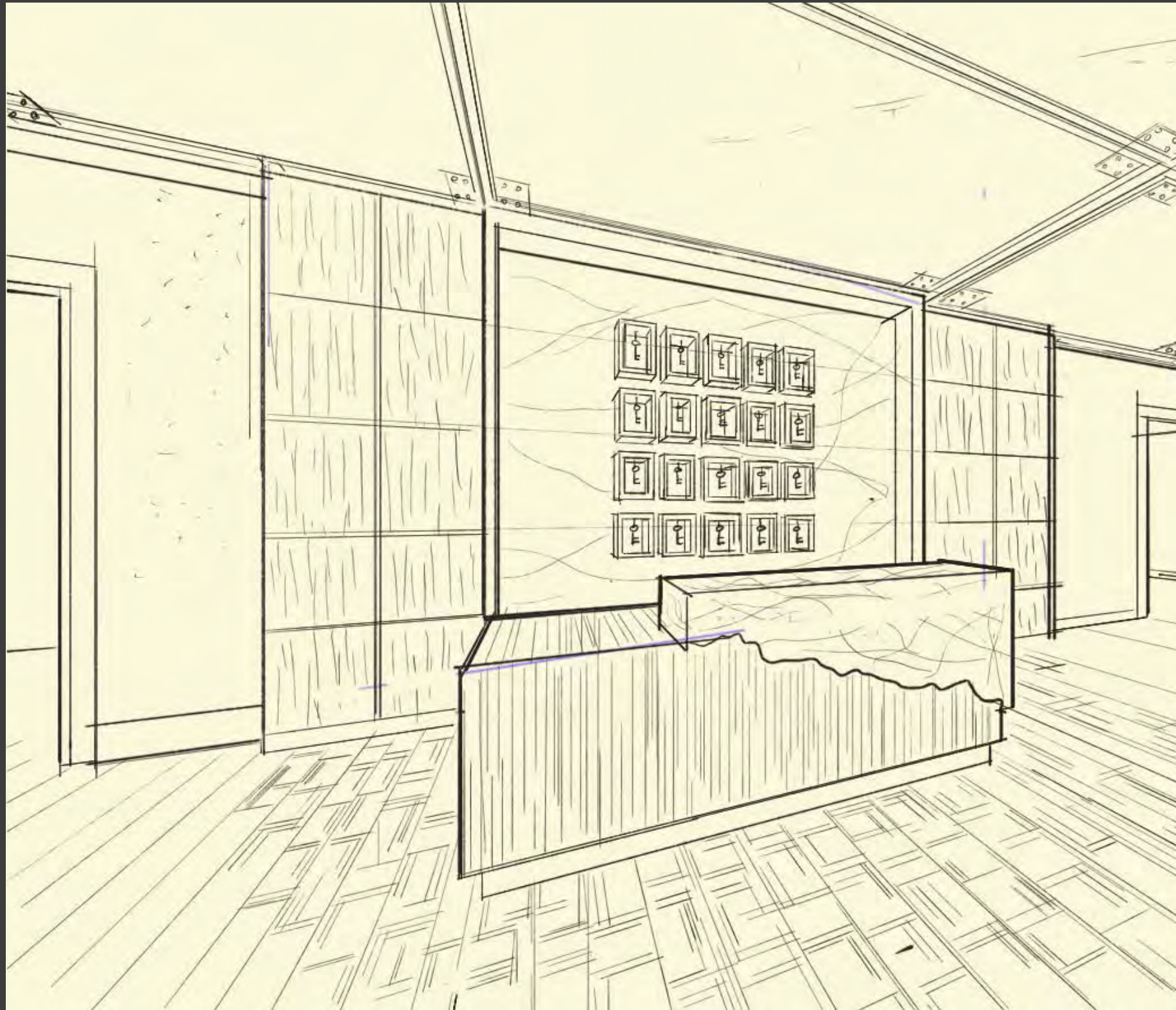
LOBBY PLAN

FLICK·MARS



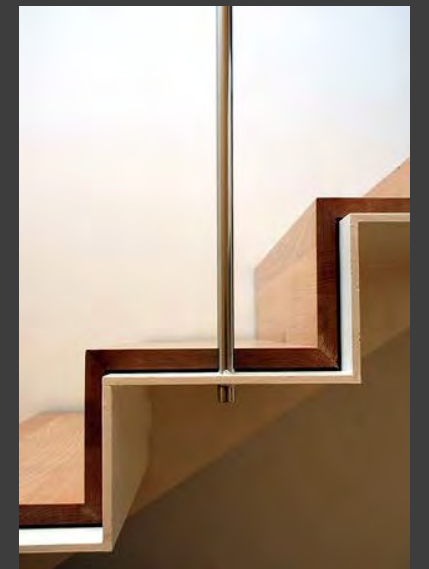
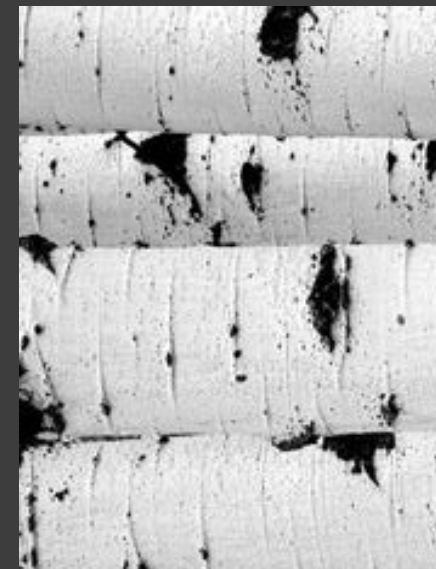
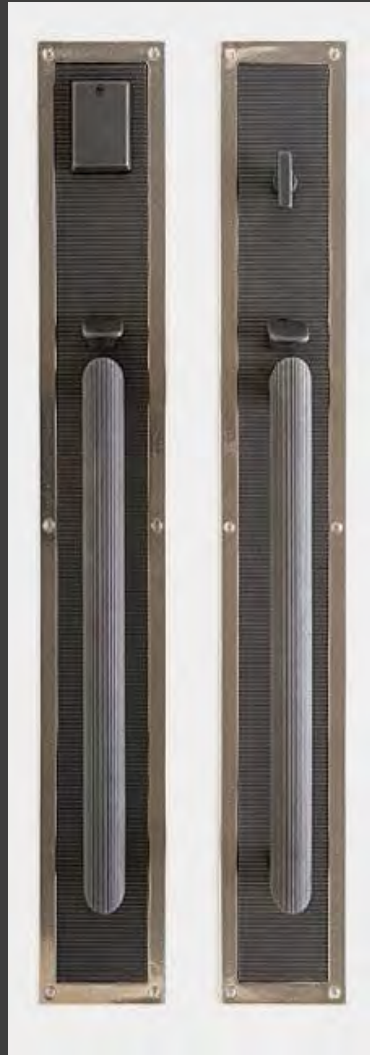
LOBBY ELEMENTS + FURNISHINGS

FLICK·MARS



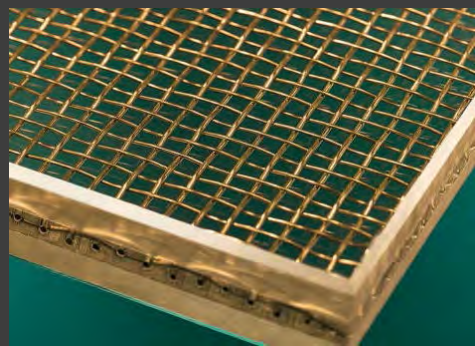
LOBBY FRONT DESK
RENDERING + ELEMENTS

FLICK·MARS



LOBBY FURNISHINGS

FLICK·MARS



LOBBY FIREPLACE SEATING
RENDERING

FLICK·MARS



LOBBY FURNISHINGS

FLICK·MARS



LOUNGE FURNISHINGS



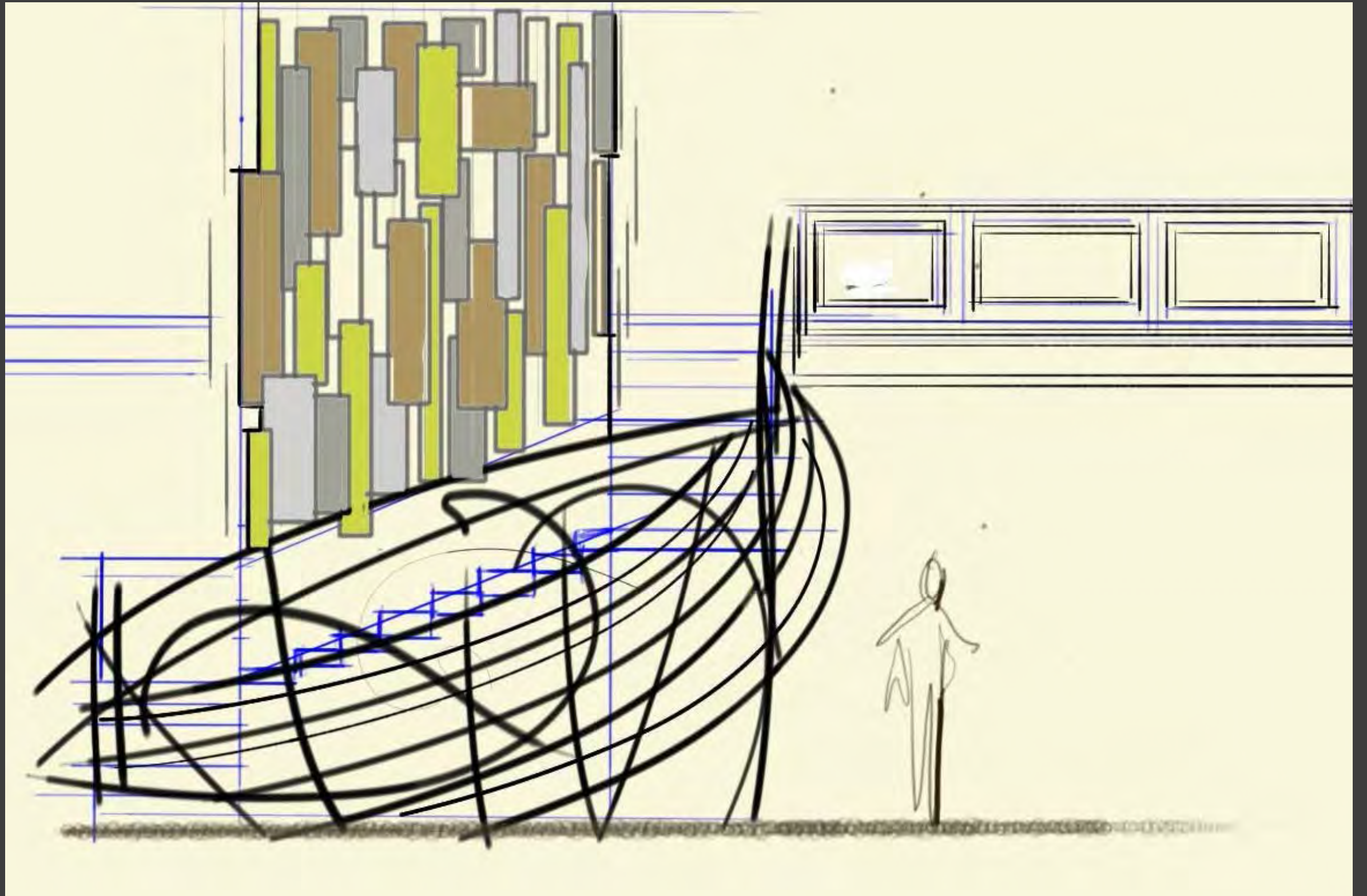
HOTEL AJAX
TELLURIDE, COLORADO

FLICK·MARS



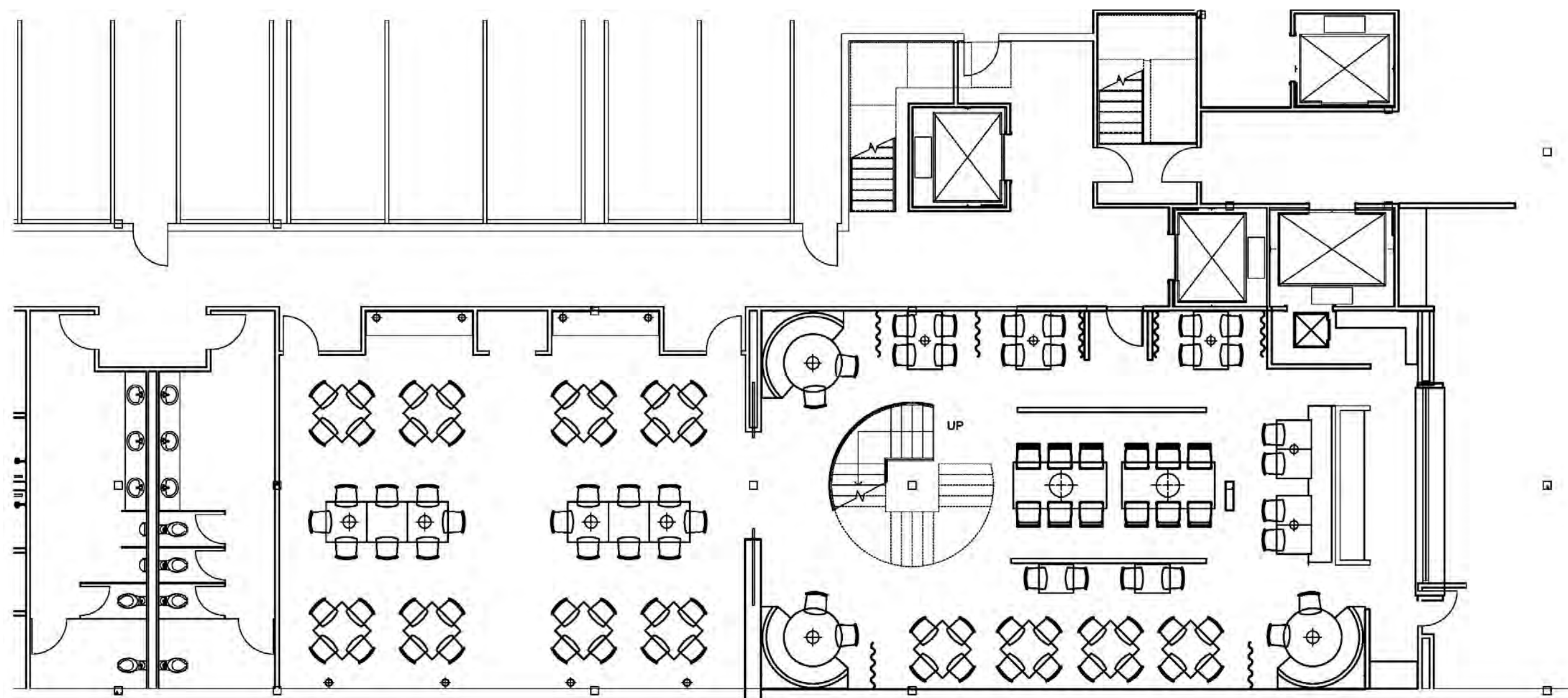
LOUNGE BAR
RENDERING

FLICK·MARS



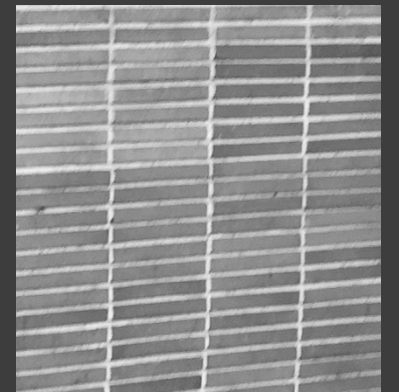
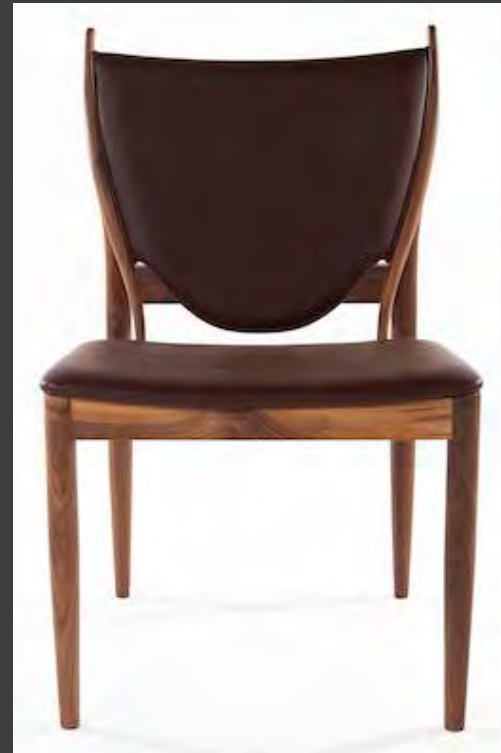
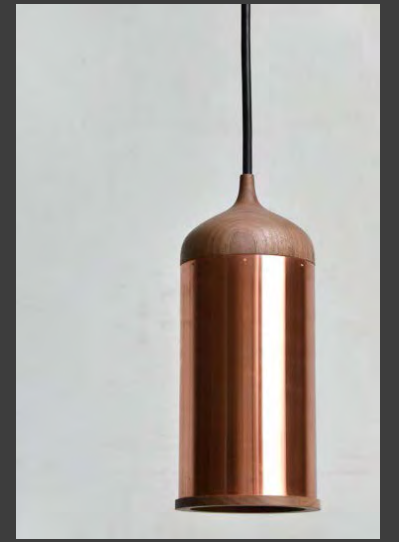
STAIR STUDY
RENDERING + ELEMENTS

FLICK·MARS



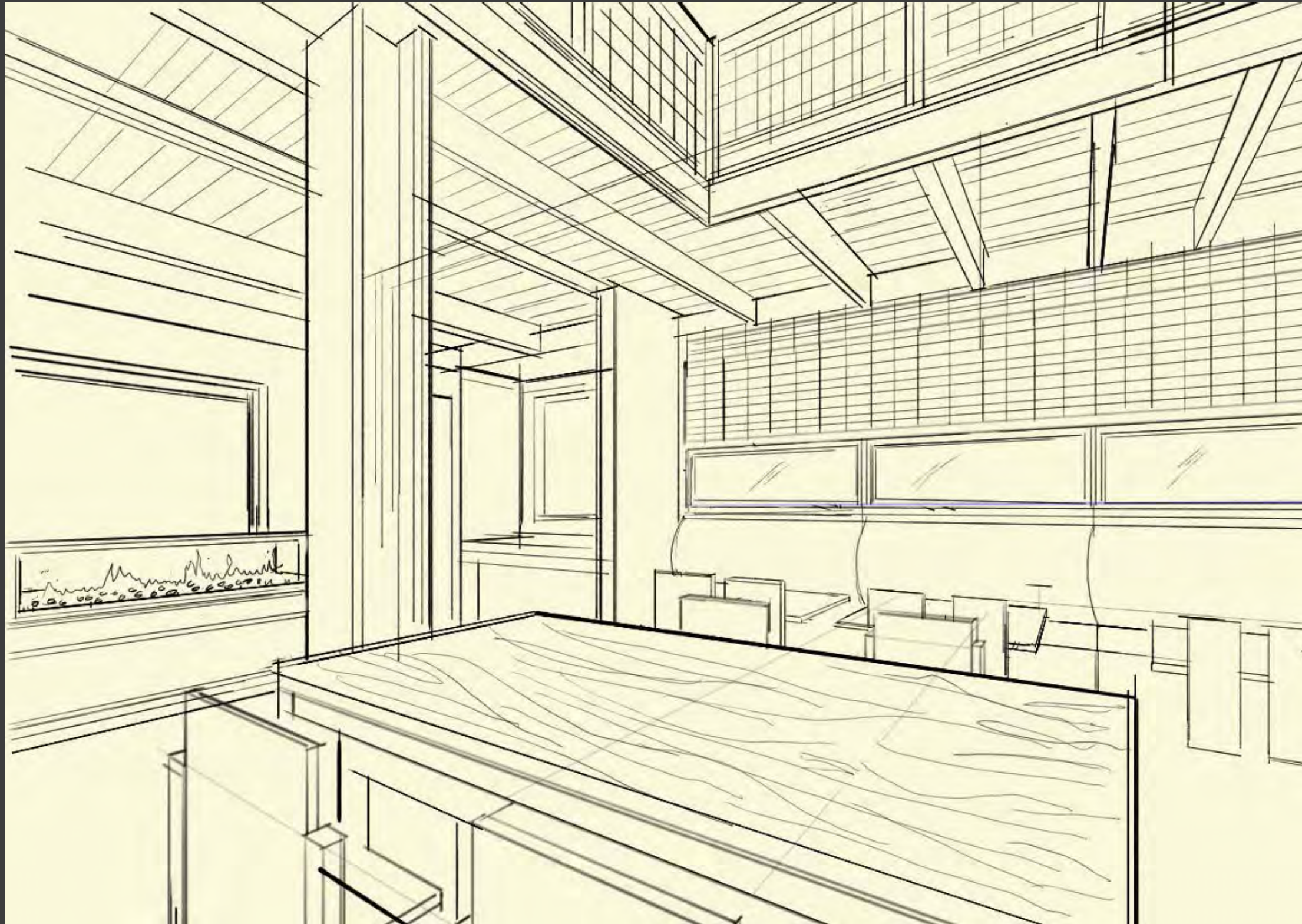
RESTAURANT PLAN

FLICK·MARS



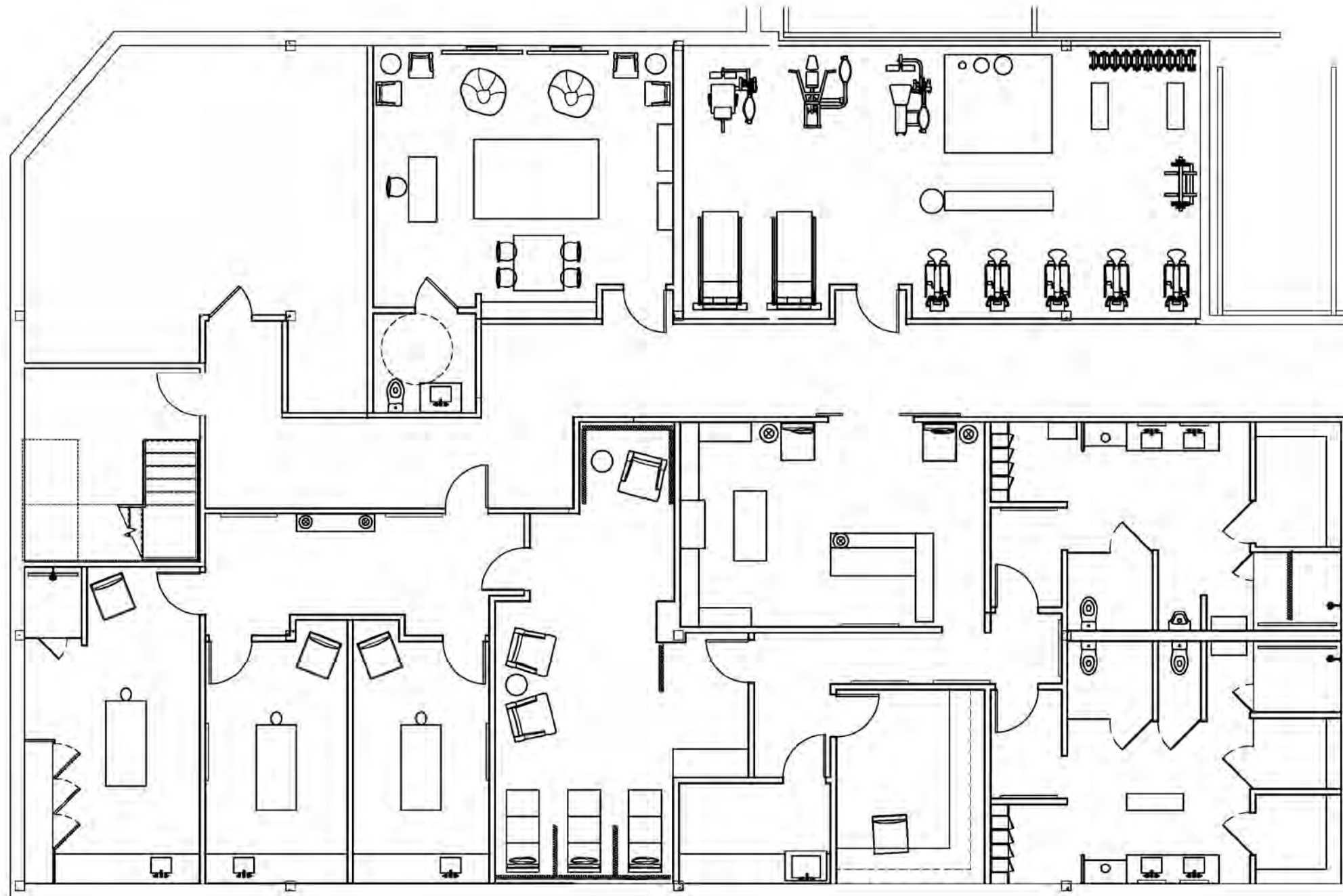
RESTUARANT FURNISHINGS

FLICK·MARS



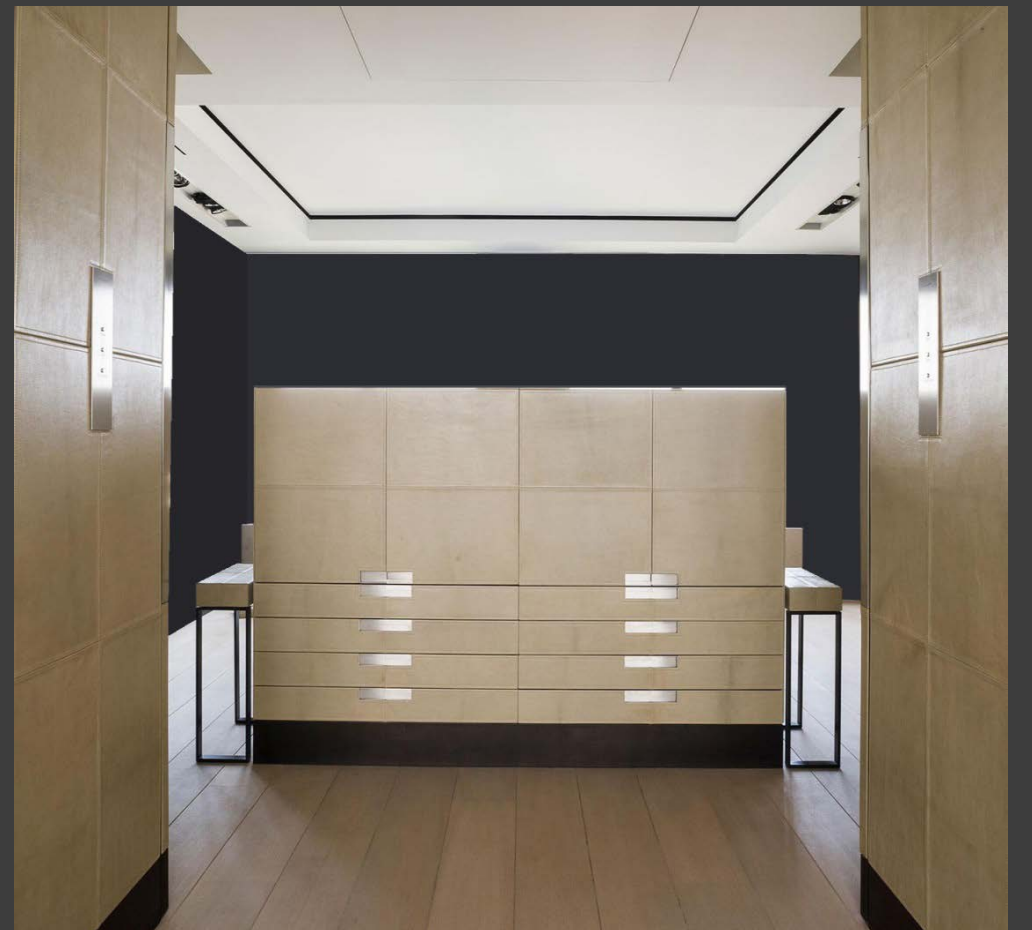
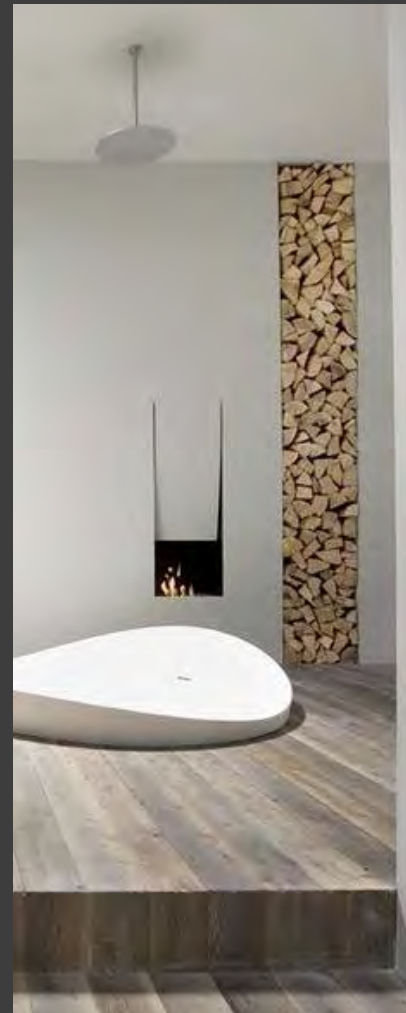
RESTAURANT
RENDERING + ELEMENTS

FLICK·MARS



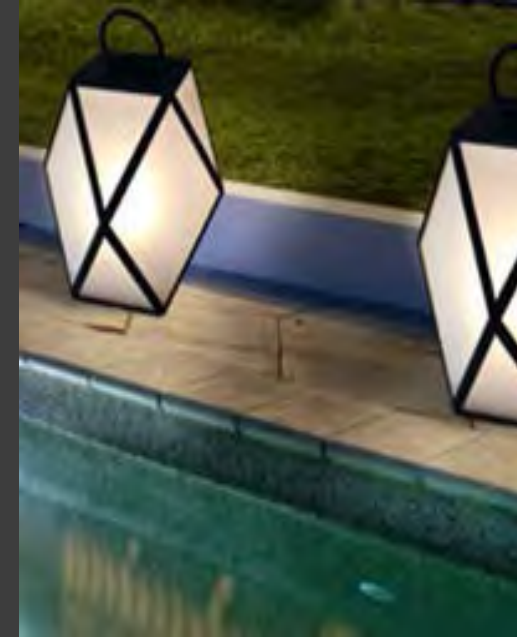
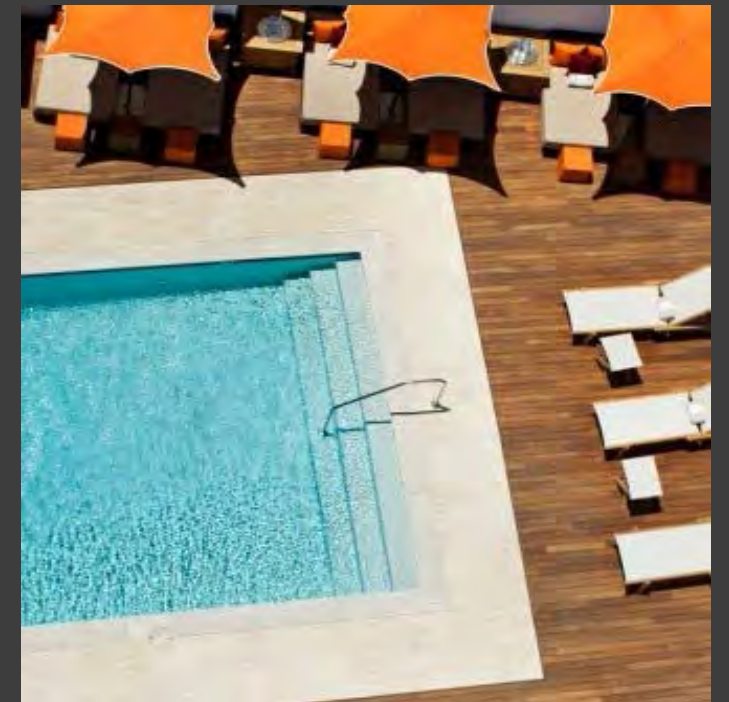
SPA + FITNESS + KIDS CLUB
PLAN

FLICK·MARS

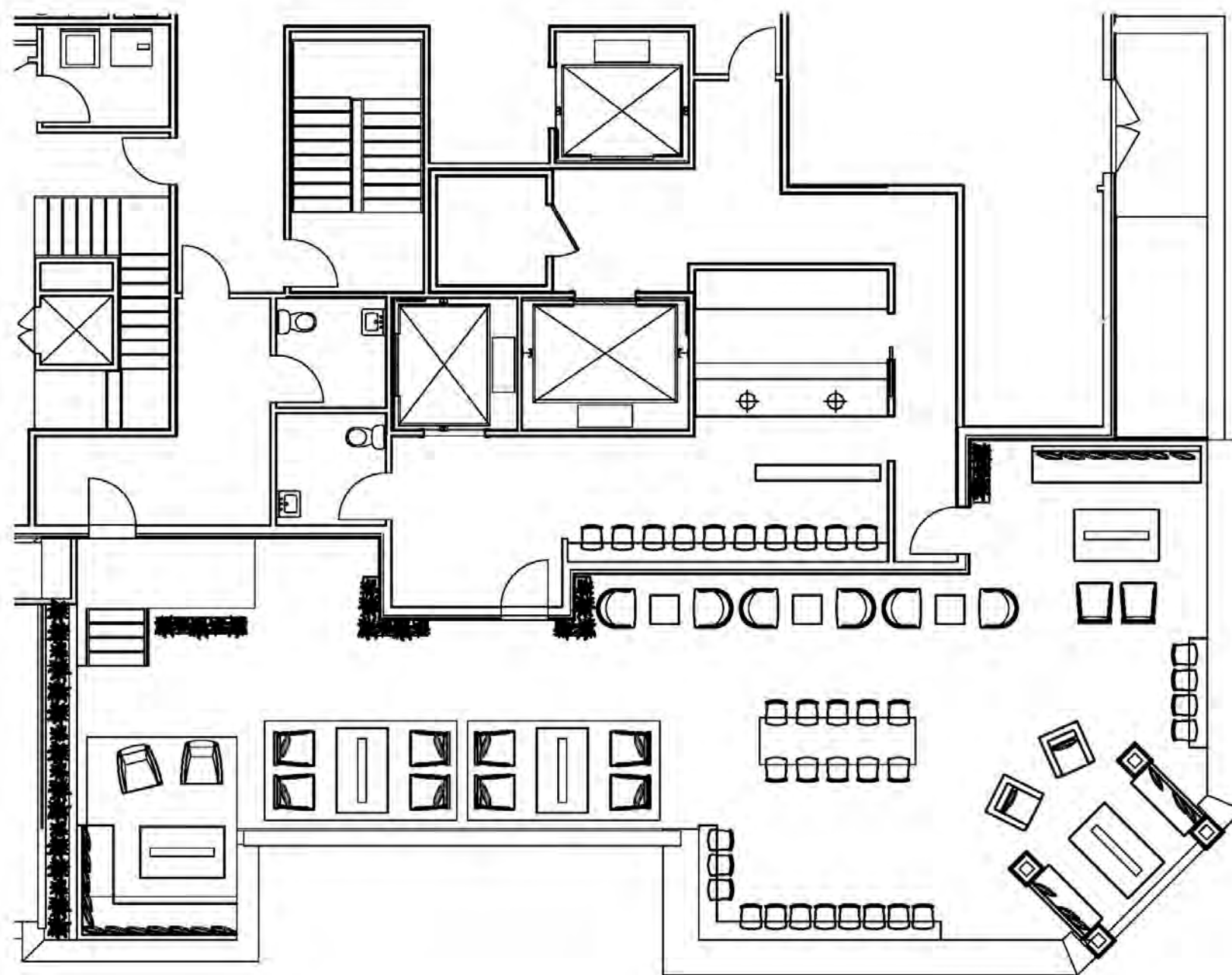


SPA FURNISHINGS

FLICK·MARS

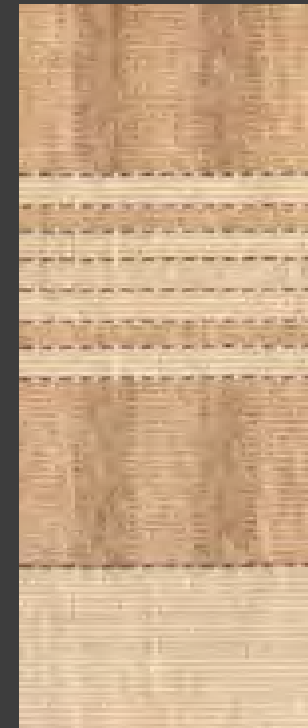


POOL DECK FURNISHINGS



ROOFTOP BAR PLAN

FLICK·MARS



ROOFTOP BAR FURNISHINGS

FLICK·MARS



300 East Colorado Residences

<u>UNIT</u>	<u>PRICE</u>
1	\$3,895,000
2	\$2,295,000
3	\$2,985,000
4	\$3,995,000
5	\$5,195,000
6	\$4,995,000
7	\$5,295,000
8	\$6,995,000
9	\$4,795,000
10	\$5,995,000

RESERVATION AGREEMENT

THIS RESERVATION AGREEMENT (“**Reservation Agreement**”) is made and entered into as of _____, 2015 (“**Effective Date**”) by and between Telluride Ajax Investment Partners, LLC, a Texas limited liability or its successor in interest (“**Developer**”) and _____ (“**Reserving Party**”).

DEFINITIONS

The Parties acknowledge and agree to the following definitions (“**Definitions**”) and further agree that each of the Definitions: (a) form a portion of the basis of this Declaration; and (b) are incorporated in this Declaration. As used herein, the following Definitions shall be given the meaning ascribed to the term as the same are stated below.

A. “**Commercial Condominium Units**” shall mean each of those particular Condominium Units specifically designed for commercial uses by the Project Condominium Documents and the Town Approvals.

B. “**Common Elements**” shall mean the common elements, including any limited common elements formed in the Condominium and designated as such pursuant to the Project Condominium Documents.

C. “**Condominium Units**” shall mean the individual condominium units formed in the Project Condominium and designated as such pursuant to the Project Condominium Documents, which are designated for separate ownership by the Unit Owners and shall consist of the Hotel Facilities Units, the Residential Condominium Units and the Commercial Condominium Units.

D. “**Developer**” shall mean Telluride Ajax Investment Partners, LLC, a Texas limited liability company, its successors, assigns and transferees.

E. “**Design Guidelines**” shall mean the Telluride Design Guidelines adopted by the Town, as amended through the Effective Date.

F. “**Planning Commission**” shall mean the Town of Telluride Planning and Zoning Commission.

G. “**Final PUD Plans**” shall mean the final plans for the Property for the Property and Project that have been approved by the Planning Commission.

H. “**HARC**” means the Town of Telluride Historic and Architectural Review Commission

I. “**HARC Design Review**” means design review and approval granted by HARC, consistent with the Design Guidelines, for the design elements of the Project, evidenced by the issuance of the Certificate of Appropriateness.

J. “**Hotel Rooms**” means each of those fifty-one (51) hotel rooms located in the Project and designated and dedicated only for use and occupancy by hotel guests that are deemed to be part of the Hotel Facilities Unit and will be held in the common ownership with the other portions of the Project denoted as the Hotel Facilities Unit.

K. **“Hotel Facilities Unit”** means condominium unit(s) designated as a Hotel Facilities Unit, consisting of the Hotel Rooms, lobby area, front desk and associated office, and similar back of house areas, project amenities, food and beverage areas, valet parking space areas and other aspects of the Project that are necessary for the operation of the hotel. The ownership of the Hotel Facilities Unit(s) will be consolidated and vest in one entity that may change from time-to-time with the re-organization of the Developer entity or the sale of the Hotel Facilities Unit(s).

L. **“LUC”** shall mean the Land Use Code Ordinance duly adopted by the Town of Telluride, as amended through the Effective Date.

M. **“Official Records”** shall mean the Official Records of the Clerk and Recorder for San Miguel County, Colorado.

N. **“Project”** shall mean the development of a certain mixed-use hotel, residential condominium and commercial project on the Property, which was approved by the Town as reflected in the Town Approval Documents. The Project is anticipated to consist of: (1) not less than 51 Hotel Rooms to be operated and deed restricted as part of the hotel and included as part of the Hotel Facilities Unit, as shown on the Final PUD Plans; (2) twelve (12) Residential Condominium Units; (3) approximately 3826 sq. ft. of commercial space, (3) five deed restricted Employee Housing Units, (4) Common Elements, and (5) a parking garage. The Project is anticipated to be named “to be determined prior to the distribution of the Purchase Contract to Reserving Party.

O. **“Project Association”** shall mean the non-profit corporation formed to manage the Project Condominium as contemplated by the Project Condominium Documents.

P. **“Project Condominium”** shall mean the condominium regime to be established on the Property in accordance with the Project Condominium Documents. The Condominium consists of certain Condominium Units and Common Elements as established and designated by Project Condominium Documents, which may, in the discretion of Developer, include and consist of a **“Master Association”** and certain **“Subordinate Associations,”** which would separately administer the Hotel Unit Facilities and the Residential Condominium Units, each of which may be separately named.

Q. **“Project Condominium Documents”** shall mean the documents prepared in connection with the formation and operation of the Project Condominium, which are anticipated to consist of the following instruments: (1) Condominium Declaration; (2) Condominium Map; (3) The Articles of Incorporation and Bylaws for the Project Association; (4) any Rules and Regulations for the Project Condominium; and (5) any and all such other pertinent documents, as the same may be amended and/or supplemented from time to time.

R. **“Property”** shall mean Lot 100AR, Block 12, Town of Telluride, San Miguel County, Colorado according to the Replat.

S. **“Replat”** shall mean that certain Replat entitled “Ajax Hotel Subdivision, a Large Scale Subdivision and Planned Unit Development on Lot 100AR, Block 12, Town of Telluride, a replat of Lots 100A, 102A, 104A, 106A, 108A, 110A, 112A, 114A, 116A and 118A, Block 12, Town of Telluride, County of San Miguel, State of Colorado to be recorded in the Office of the Clerk and Recorder for San Miguel County, Colorado.

T. **“Town”** shall mean the Town of Telluride, a home rule municipality and political subdivision of the State of Colorado.

U. **“Town Approvals”** shall mean those certain land use entitlement approvals concerning the Property and the Project that have been granted by the Town, including, without limitation, approvals for PUD, Subdivision, HARC Certificate of Appropriateness and any other plans or permits, including, without limitation, building permits and certificates of occupancy, granted by the Town for the Property and the Project. The Town Approvals are further reflected in the Town Approval Documents.

V. **“Town Approval Documents”** shall mean those certain documents, agreements and instruments concerning the Town Approvals for the Property and the Project, including, without limitation, the Project Development Agreement, the Project Replat, the HARC Certificate of Appropriateness, and this Declaration.

W. **“Town Laws”** shall mean the Town of Telluride Land Use Code, Town of Telluride Design Guidelines, Town of Telluride Building Code, Town of Telluride Charter and the Town of Telluride Municipal Code.

X. **“Unit Owners”** shall mean the respective owners of each of the Condominium Units.

Y. **“Residential Condominium Units”** shall mean each of the twelve Residential Condominium Units included in the Project specified for residential uses by the Project Condominium Documents and the Town Approvals. The Residential Condominium Units are distinguished from the Hotel Rooms. The Residential Condominium Units shall be separately and individually condominiumized, and may be sold to third parties and used and occupied for residential purposes.

RECITALS

The following recitals (**“Recitals”**): (a) form a portion of the basis of this Declaration; and (b) are incorporated in this Declaration.

A. Declarant is the current, fee simple owner of the Property.

B. Declarant is pursuing the Town Approvals for the Property from the Town, which, when obtained, will authorize the development of the Project.

C. The Project is anticipated to consist of different components, including, without limitation, the Hotel Facilities Unit, the Residential Units and the Common Elements.

D. Developer contemplates the commencement and completion of the construction of the Project, subject to Developer’s achievement of certain goals and objectives on terms and conditions acceptable to Developer in its sole discretion (**“Developer’s Trigger Events”**), including, without limitation, achievement of the Town Approvals, suitable construction financing, political conditions, marketing conditions, Reserving Party’s purchasing qualifications and the like.

E. Reserving Party has expressed an interest in acquiring one of the Residential Condominium Units, namely Residential Condominium Unit ____ (the **“Subject Residential Condominium Unit”**).

F. The location of the Subject Residential Condominium Unit within the Project (“**Subject Residential Condominium Unit Location Drawing**”) is as depicted on attached schematic drawings for the Project **Exhibit “A”** and the general layout and floorplans for the Subject Residential Condominium Unit based upon schematic drawings (“**Subject Residential Condominium Unit Floorplans**”) is as depicted on attached **Exhibit “B”**.

G. Subject to the achievement of the Developer’s Trigger Events, Developer and Reserving Party have agreed that Reserving Party shall be permitted to reserve the Subject Residential Condominium Unit, on the terms and conditions set forth herein.

H. The Parties recognize and agree that: (i) the Project Condominium may, but need not, in the discretion of Developer, include and consist of a Master Association and certain Subordinate Association which would separately administer the Hotel Unit Facilities and the Residential Condominium Units, each of which may be separately named, (ii) the Common Elements located within the Project Condominium as well as the Project Condominium will be operated, administered and managed by the Master Association, (iii) the Hotel Unit Facilities will be named, operated, administered and managed separately from the Residential Condominium Units, either by a Subordinate Association consisting of the Hotel Unit Facilities and Commercial Units or by the Master Association, and (iv) the Residential Condominium Units which will be separately named, operated, administered and managed by a Subordinate Association consisting of the Residential Condominium Units. The foregoing notwithstanding, Developer reserves the right to alter the overall administrative and operational structure of the Project Condominium.

I. The Parties further recognize and agree that: (i) there are anticipated to be certain amenities and facilities included in the Condominium Project which may potentially include, without limitation, an outdoor pool and a spa, which would be located within and designated to be part of the Hotel Facilities Unit or Limited Common Elements assigned to the Hotel Facilities Unit, (ii) Developer will make provide for the rights of owners of the Residential Condominium Unit, including their guests, to be able to use such amenities and facilities and related services, subject to the imposition of usage fees and charges, and (iii) parking in the parking garage (which is anticipated to be a Common Element) for all Condominium Units will be unassigned and parking is anticipated to occur as valet parking, operated either by the Master Association or by the Subordinate Association for the Hotel Facilities Unit, with charges incurred in such operations assessed to all Unit Owners, including the Residential Condominium Units.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, including the Definitions and the Recitals, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Developer and Reserving Party agree as follows:

1. **Reservation.**

(a) Subject to the terms and conditions of this Reservation Agreement and in consideration of payment the sum of \$100,000 (the “**Reservation Deposit**”) by Reserving Party, Developer hereby reserves unto Reserving Party the right to purchase the Subject Residential Condominium Unit Residential Unit.

(b) The Reservation Deposit shall be paid and deposited by Reserving Party with Land Title Guarantee Company in Telluride, Colorado (the “**Title Company**”). The

Reservation Deposit shall be paid within two business days of mutual acceptance of this Reservation Agreement.

(c) **Proof of Funds.** Reserving Party represents and warrants to Developer that Reserving Party, at the time of the execution of this Reservation Agreement and through Closing under the Purchase Contract has and will continue to have sufficient funds to close on the purchase of the Property. Reserving Party acknowledges that Developer is relying upon this representation in entering this Agreement. Reserving Party agrees that simultaneously with Reserving Party's tender of its signed copy of this Reservation Agreement to Developer, Reserving Party shall provide Developer with a current, valid, duly executed Proof of Funds ("POF") dated as of the approximate date that the POF is being delivered to Developer, issued by the financial institution(s) Reserving Party intends to use to close the transactions contemplated hereunder, demonstrating that Reserving Party has sufficient funds to close on the purchase of the Property which shall be in form or content acceptable or unacceptable in the sole discretion of Developer. Developer reserves the right to require Reserving Party to provide an updated POF at the time of the execution of the Purchase Contract and such other times as may be reasonably requested by Developer prior to closing. Upon such request, Reserving Party agrees to provide Developer with an updated POF within 5 business days of the request. In the event that Developer reasonably determines that Reserving Party fails, refuses or is not otherwise able to provide Developer with a POF or other suitable evidence, reasonably acceptable to Developer, confirming the availability of sufficient funds to close on the purchase of the Property, Developer may, but need not, elect to send notice of such determination to Reserving Party and Reserving Party shall have five days to provide Developer with a current, valid POF confirming the availability of funds to close on the purchase of the Property. If such information is not provided, then Developer shall have the right to terminate this Reservation Agreement.

(d) The Subject Residential Condominium Unit will be subjected to the terms, conditions, requirements and restrictions of the Project Condominium Documents, the Town Approval Documents and all other matters of public record that affect the title to the Property, Project and the Subject Residential Condominium Unit. Copies of the Project Condominium Documents, the Town Approval Documents and a title commitment shall be provided to Buyer for review by Buyer as will be provided for in the Purchase Contract. If Buyer is not satisfied with the terms and conditions of the Project Condominium Documents, the Town Approval Documents or the title documents, Buyer may terminate the Purchase Contract and obtain a refund of the earnest money deposit.

(e) By executing this Agreement, the Parties acknowledge, understand and agree that Developer shall not have sold the Subject Residential Condominium Unit to Interested Party, nor shall Interested Party have acquired the Subject Residential Condominium Unit from Developer. Rather, the Parties have expressed a mutually interest in pursuing the purchase and sale of the Subject Residential Condominium Unit, which transaction would be governed by the execution of a Purchase Contract for the Subject Residential Condominium Unit as provided for in Section 2 below.

2. Purchase Price; Purchase Contract.

(a) **Purchase Price.** The purchase price for the Subject Residential Condominium Unit shall be \$_____, which is based upon the pricing information sheet as determined by Developer. The Purchase Price will be required to be paid to Developer at closing in cash, certified or wired funds, or on such other terms as may be mutually agreed upon in the Purchase Contract between the parties.

(b) **Purchase Contract to be Executed on or before Expiration Date.**

Reserving Party has no obligation to purchase the Subject Residential Condominium Unit under this Reservation Agreement unless and until Reserving Party enters into a written purchase agreement to purchase the Subject Residential Condominium Unit. Reserving Party may exercise its reservation rights as set forth in this Reservation Agreement on or before the Expiration Date (as defined below) by executing and delivering to Developer an executed Contract for the Purchase and Sale of the Subject Residential Condominium Unit (the “**Purchase Contract**”), in the form to be prepared by Developer and delivered to Reserving Party, together with an additional earnest money deposit as determined by Developer (“**Additional Earnest Money**”), which will be required by the terms of the Purchase Contract. Reserving Party shall not modify or amend the Purchase Contract and the tender of a modified/amended Purchase Contract that has not been approved by Developer, shall not constitute the required delivery of the Purchase Contract pursuant to this Reservation Agreement. Upon execution by Reserving Party and Developer of the Purchase Contract, the Reservation Deposit made pursuant to Paragraph 1 above shall be applied as a portion of the overall earnest money deposit. The Additional Earnest Money deposit shall be due at the time of the execution of the Purchase Contract and shall be paid to Title Company in the form of cash, certified or wired funds made payable to the Title Company. Thereafter, the entire balance of the earnest money deposit shall be held by the Title Company in accordance with the terms of the Purchase Contract. If Reserving Party is not satisfied with the terms and conditions of the Purchase Contract or transaction for any reason, Reserving Party’s sole recourse is to not sign the Purchase Contract, in which case this Reservation Agreement shall be deemed to have expired and the Parties shall proceed in the manner provided for in Section 4.

(c) **Construction of the Subject Residential Condominium Unit.**

The Purchase Contract shall establish the terms and conditions by which the Subject Residential Condominium Unit shall be constructed, inspected by Reserving Party and the timing and circumstances by which closing on the Subject Residential Condominium Unit will occur, which will be promptly after completion of construction of the Subject Residential Condominium Unit. At closing, Developer will cause its contractor to provide a limited warranty, as described in and appended to the Purchase Contract.

(d) **Expiration Date.**

The “**Expiration Date**” shall be deemed to mean ten (10) business days after the sooner to occur of either: (1) the date that Developer delivers the Purchase Contract to Reserving Party; or (2) the date Developer elects not to construct the Project because of the non-attainment of Developer’s Trigger Events. Time is of the essence.

(e) **Developer Agreements.**

During the period that the Reservation Agreement is in effect, Developer agrees that it will not commit to sell the Subject Residential Condominium Unit to any other person or party, provided that nothing herein shall prevent or preclude Developer from accepting a “back-up” offer for the Subject Residential Condominium Unit. Nothing herein shall limit or preclude Developer from changing its price listing or marketing or sales commitments with respect to the sale of any of the other Residential Condominium Units.

3. **Receipt of Reservation Deposit.** Simultaneously with the execution of this Agreement, Reserving Party shall tender the above-referenced Reservation Deposit in the form of cash, check, or certified funds made payable to the Title Company, which is an independent escrow agent. Receipt of the Reservation Deposit is hereby acknowledged by the Parties, to be held pursuant to the terms of a customary and commercially reasonable Escrow Agreement to

be prepared by the Title Company and signed by the Parties. Provided that Reserving Party has provided the Title Company with proper tax documentation sufficient to enable Title Company to report all income earnings to Reserving Party, the Reservation Deposit shall be deposited in an interest-bearing escrow account by the Title Company.

4. **Termination of Reservation Agreement.**

(a) This Reservation Agreement shall terminate and the Reservation Deposit shall be returned to Reserving Party upon the happening of any of the following:

(i) Receipt by Title Company and Developer of a written request signed by Reserving Party for a cancellation of this Reservation Agreement and a refund of the Reservation Deposit at any time prior to the execution of the Purchase Contract.

(ii) The expiration of ten (10) business days after Reserving Party is given the Purchase Contract and related disclosure documents by Developer and Reserving Party has failed to return the signed Purchase Contract and tender the Additional Earnest Money.

(iii) Written notice is given by Developer to Reserving Party and Title Company of Developer's election, exercisable by Developer at any time prior to execution of a Purchase Contract, in Developer's sole discretion, to terminate and cancel this Reservation Agreement due to the non-attainment of the Developer's Trigger Events.

(b) Upon any termination or expiration of this Reservation Agreement for any reason as provided herein, the Parties acknowledge and agree that all respective rights, duties and obligations under this Reservation Agreement shall automatically and immediately expire and Title Company is hereby directed to return the Reservation Deposit, together with any accrued interest, if any, to Reserving Party by Title Company and, thereafter, Developer and Reserving Party shall have no further rights or obligations hereunder.

5. **NO OBLIGATION TO PURCHASE; RIGHT TO REFUND.** THIS IS A RESERVATION AGREEMENT AND NOT A CONTRACT TO BUY AND SELL REAL PROPERTY. RESERVING PARTY HAS NO OBLIGATIONS HEREUNDER UNTIL AND UNLESS RESERVING PARTY ENTERS INTO A WRITTEN PURCHASE CONTRACT TO PURCHASE THE SUBJECT RESIDENTIAL CONDOMINIUM UNIT, AND MAY AT ANY TIME PRIOR TO ENTERING INTO SUCH PURCHASE CONTRACT, TERMINATE AND CANCEL THIS RESERVATION AGREEMENT AND REQUIRE A REFUND OF THE RESERVATION DEPOSIT. THIS RESERVATION AGREEMENT DOES NOT CONVEY OR CREATE ANY LEGAL OR EQUITABLE INTEREST IN REAL PROPERTY. PRIOR TO DEVELOPER AND RESERVING PARTY ENTERING INTO A PURCHASE CONTRACT FOR THE SUBJECT RESIDENTIAL CONDOMINIUM UNIT, RESERVING PARTY IS UNDER NO OBLIGATION TO GO FORWARD WITH THE PURCHASE OF THE SUBJECT RESIDENTIAL CONDOMINIUM UNIT AND MAY AT ANY TIME PRIOR TO EXECUTION OF THE PURCHASE CONTRACT, AT ITS SOLE DISCRETION, TERMINATE AND CANCEL THIS RESERVATION AGREEMENT BY DIRECTING THE TITLE COMPANY TO RETURN THE RESERVATION DEPOSIT TO RESERVING PARTY. SIMILARLY, DEVELOPER MAY ELECT TO TERMINATE THIS AGREEMENT IN THE EVENT OF THE NON-ATTAINMENT OF THE DEVELOPER'S TRIGGER EVENTS TO THE

SATISFACTION OF DEVELOPER. UPON ANY SUCH TERMINATION, THE RESERVATOIN DEPOSIT SHALL BE PROMPTLY RETURNED TO RESERVING PARTY.

6. **Reserving Party's Acknowledgments.** Reserving Party acknowledges and agrees that the following are true and correct statements as of the date of the Reservation Agreement and that, if requested by Developer, Reserving Party will execute an updated acknowledgment as of the date of Purchase Contract and again at Closing. In any event, the following Acknowledgements shall survive Closing:

(a) Developer has advised Reserving Party that Reserving Party should purchase the Subject Residential Condominium Unit on the basis of the stipulated purchase price for the Subject Residential Condominium Unit, the design and detail of the Subject Residential Condominium Unit, the regional recreational and vacation opportunities associated with the ownership of the Subject Residential Condominium Unit and the amenities associated with the Project that ownership of the Subject Residential Condominium Unit will entitle Reserving Party to utilize, which may include the imposition of user fees and costs.

(b) Reserving Party should purchase the Subject Residential Condominium Unit based on the merits of the transaction and should not purchase the Subject Residential Condominium Unit based on any expectations related to investment or potential revenue derived from owning Subject Residential Condominium Unit

(c) Developer has advised Reserving Party that after Closing, Reserving Party will have the right to elect to either: (i) use the Subject Residential Condominium Unit for Reserving Party's sole and exclusive use; or (ii) include the Subject Residential Condominium Unit in a rental program operated by a party of Reserving Party's choosing.

7. **Reserving Party's Representations and Warranties.** By executing the Reservation Agreement and Purchase Contract, Reserving Party hereby represents and warrants to Developer, as of the date of such execution, each of the following, which representations and warranties of the Reserving Party shall survive Closing:

(a) Reserving Party has not obtained any information from either Developer or Developer's sales broker/agents concerning historical and/or projected occupancy figures or rental income derived by other unit owners participating in any rental program.

(b) Reserving Party is acquiring the Subject Residential Condominium Unit on the basis of the value of and the utility in the use of the real estate and not on the basis of any potential revenue derived from including the Subject Residential Condominium Unit in any post-closing rental, leaseback or similar program.

(c) Reserving Party has or will independently investigate the use and character of the Subject Residential Condominium Unit, as well as any property adjacent to the Project, and shall not rely on any statements by Developer nor any of Developer's sales broker/agents or any brochures or displays in the sales office about the use or character of any property, other than the Subject Residential Condominium Unit.

(d) The only promises, statements, representations, warranties and/or commitments that have been made by Developer or Developer's brokers or agents to Reserving Party or Reserving Party's agent are those stated and contained in this Reservation Agreement and/or in the Purchase Contract.

(e) Developer, in its sole discretion, may alter or vary the layout, location, size, level and/or finishes to the Subject Residential Condominium Unit and/or the other Subject Residential Condominium Units and the common elements prior to the execution of the Purchase Contract and Reserving Party sole recourse is to terminate this Reservation Agreement.

(f) Any plans, specifications, models, displays, pictures or other materials relating to the Project and the Subject Residential Condominium Unit which Reserving Party may have viewed, including, without limitation, the Subject Residential Condominium Unit Location Drawing and the Subject Residential Condominium Unit Floorplans are subject to change at the Developer's discretion and without notice and Reserving Party shall not be entitled to rely on any representations, whether written or oral, relating to the Project or the Subject Residential Condominium Unit except those specifically set forth in this Reservation Agreement, the Purchase Contract and any disclosure documents delivered in connection with such Purchase Contract.

8. **Counterparts and Facsimile Signatures.** This Reservation Agreement may be executed in counterparts, in which case all such counterparts together shall constitute one and the same instrument which is binding on all of the parties thereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart. Facsimile signatures shall be treated as original signatures hereon, and on any notices that may be given hereunder.

9. **No Assignment.** Reserving Party shall not have the right to assign or otherwise transfer all or any part of Reserving Party's rights under this Reservation Agreement without the express prior written consent of Developer, which consent may be granted or withheld at the sole discretion of Developer, except that Developer will permit an assignment to an entity in which Reserving Party is the majority owner.

10. **Notices.** Any notice provided or permitted to be given hereunder shall be in writing and may be given by personal delivery, facsimile transmission or by depositing the notice in the United States mail, postage prepaid, certified with return receipt requested, and addressed to the party to be notified. Notice deposited in the mail in the foregoing manner shall be deemed received three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when actually received by the party to be notified. For purposes of notice, the addresses of the Parties shall be as set forth below until changed. Any Party, by notifying the other Parties hereto in the manner provided in this Section, may designate a different address for receipt of subsequent notices.

<u>Developer</u> Telluride Ajax Investment Partners, LLC Mailing Address: _____ _____ Phone: _____ Fax: _____ Email: _____	<u>Reserving Party:</u> _____ _____ Phone: _____ Fax: _____ Email: _____
<u>With a Copy to</u> Thomas G. Kennedy, Esquire P.O. Box 3081 Telluride, CO 81435 Phone: (970) 728-2424 Fax: (970) 728-9439	<u>With a Copy to</u> _____ _____ Phone: _____ Fax: _____ Email: _____

11. **Miscellaneous.**

(a) This Reservation Agreement shall be binding upon and inure to the benefit of Developer, Reserving Party, and their respective successors and assigns, as limited by this Reservation Agreement. Reserving Party shall not assign its rights under this Reservation Agreement without the prior written consent of Developer, which consent may be withheld in Developer's sole discretion.

(b) No subsequent modification of any of the terms of this Reservation Agreement shall be valid, binding upon the parties, or enforceable, unless made in writing and signed by Developer and Reserving Party.

(c) Time is of the essence of this Reservation Agreement. All references to the time of day in this Agreement shall refer to the time of day in San Miguel County, Colorado. If the time period by which any right, option, or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which any closing is to be held, expires on a Saturday, Sunday or legal holiday, then such time period automatically shall be extended to the close of business on the next regular business day.

(d) This Reservation Agreement shall be governed by and construed in accordance with the substantive laws of the State of Colorado and the laws of the United States applicable to transactions in the State of Colorado. In any action to enforce any provision of this Reservation Agreement, the substantially prevailing party shall recover the costs and expenses of any such litigation, including reasonable attorney's fee. Venue for any action commenced hereunder shall be restricted to a court of competent jurisdiction in San Miguel County, Colorado.

(e) Reserving Party specifically waives the remedy of specific performance hereunder against Developer and further agrees that Reserving Party shall not be entitled to recover any damages, consequential or otherwise as a result of any alleged breach hereunder by Developer.

(f) This Reservation Agreement may be executed in any number of counterparts, each of which shall be effective upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same affect as if all Parties hereto had signed the same signature page. This Reservation Agreement may be executed via telecopier or exchanged by scanned/email documents.

(g) Neither this Reservation Agreement nor any memorandum or notation concerning this Agreement shall be recorded and in the event that Reserving Party records this Agreement or any memorandum or notation thereof or any notice of lis pendens related thereto, then this Reservation Agreement shall thereupon and without further notice immediately terminate and expire.

IN WITNESS WHEREOF, the parties have executed this Reservation Agreement as of the Effective Date.

RESERVING PARTY:

By: _____

Date: _____

Printed Name: _____

Title: _____

DEVELOPER:

Telluride Ajax Investment Partners, LLC,
a Texas limited liability

By: _____

Date: _____

Printed Name: _____

Title: _____

Exhibit A
(Subject Residential Condominium Unit Location Drawing)

Exhibit B
(Subject Residential Condominium Unit Floorplans)